

INSIDE: THE NEW TRADE DEAL/PETER C. NEWMAN'S EPIC

Maclean's

OCTOBER 12, 1987

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

DRAWING THE BATTLE LINES



—
The Fight Inside
The Post Office





Introducing du MAURIER *Extra Light*

Enjoy the quality of du Maurier
in an extra light cigarette.

Regular and King Size



Warning: Health and safety: Canada advises that danger to health increases with amount smoked—avoid sharing.
Av. per cigarette du Maurier Extra Light Reg. 8 mg "tar", 0.8 mg nicotine, King Size 9 mg "tar", 0.9 mg nicotine.

CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

OCTOBER 12, 1987 VOL. 100 NO. 41

COVER

Drawing the battle lines

Canada was hit by its second mail strike in just three months last week as inside postal workers began a series of walkouts which disrupted service across the country. It was a critical showdown between Canada Post and its most militant union over the issue of job security—and it underscored the post office's serious internal problems. —Page 28

COVER ART BY MICHELLE BLOOM



CONTENTS

Arrest	9
Bellevue	56
Business/Economy	58
Canada/Cover	10
Canavans of the Wilderness	42
Editorial	2
Environment	49
FTS	36
Fatheringham	63
Justice	52
Letters	4
Music	54
Newman	41
Passages	5
People	34
Publishing	62
Television	61
World	20

Canavans of the wilderness

In his new book, *Canavans of the Wilderness*, Maclean's Senior Contributing Editor Peter G. Newman documents the bloody vendetta that set the fur country ablaze. —Page 42



New paths for the Boss

Bruce Springsteen's new album, *Tunnel of Love*, slipped quietly into stores last week—with arrangements and lyrics that bared an intimate side of his talent. —Page 54



The new trade deal

After 36 months of negotiations, and minutes before a midnight Saturday deadline, Canada and the United States agreed on the outline of a free trade deal. —Page 22



A dangerous temptress

In the movie *Fatal Attraction*, Glenn Close departs from her good-girl image to play a woman who obsessively harasses a married man. —Page 34



Time for a decision

There are 63,000 dedicated people, both union and management, who work at Canada Post. The fact that they are fighting with each other again is only partly due to the intransigence of the two sides. The real villain in the dispute are successive governments that refuse to make a tough decision. The government has to make a clear choice between keeping Canada Post as a public service—and letting the postal deficit be damned—or running it as a private business.



Clark, hard-line toward another decade of postal strikes?

and, perhaps, reducing service to make a profit.

Traditionally, Ottawa has wanted to have the best of both worlds: improved service, with postal rates held in check to keep the public happy, and lower costs to keep its own deficit under control. As a result, the conflicting signals sent to post office managers and unions have made real conflict inevitable. And as Ottawa Bureau Correspondent Marc Clark, who reported the main cover story, commented: "Both sides have now taken such hard lines on contract concessions that more conflict seems inevitable. Canadians could be in for another decade of postal strikes."

If a full strike develops, Ottawa should legislate as early as it can, for the first time since Confederation, state clearly its choice of direction for the future.

Kevin Lloyd

Maclean's October 3, 1987

Editor

Kevin Lloyd

Executive Editor: Tim Lott

Executive Editor: David F. Brown

Executive Editor: Michael Power

Executive Editor: Peter C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Executive Editor: John C. Brown

Fibre Up!

Now you don't have to give up taste to get the fibre that's so important to staying healthy and fit. Because now Kellogg's® Fibre Up® has both.

First, it has the highest fibre content of any cereal—14.2 grams in a one-half cup serving. No other cereal has more.

Second, thanks to a touch of NutraSweet™, it has a delicious sweet taste.

So go ahead, move your bowels and don't give up taste. Start your day with new Kellogg's® Fibre Up®.

Up in fibre, up in taste!

Original cereal of
Fibre Up® is 100% whole grain wheat & oat



100 YEARS OF
VIGILANT BUREAU REPORTING PUBLISHING
Toronto 905-977-1111 ext. 4100
toll-free 1-800-763-1001

A Maclean's Reader publication



Sin and certainty

Reading some of the popular media reports on Roman Catholicism, such as your cover story "John Paul's restless Catholic" (Sept. 14), makes me wonder if the outcry of certain Christians does not add up to saying, "If we could pretend the Pope, then we could do whatever we wanted." Thank God for John Paul II and his predecessors. He knows what is true and preaches it fearlessly, he knows what is right and says so conscientiously and in clear terms. While religion is concerned, deliver us from the tyranny of the majority; give me the authority of God's Gospel without compromise.

—PETER C. MARTELLO
Orangeville, Ont.



John Paul II in a sense of right and wrong

In your Sept. 14 cover story, I was honored to be included among those who support Pope John Paul II. One quotation taken out of context from my biography, however, made it appear that I stigmatized those "tempted to acts of iniquity with their own sex." I did not. Temptation to sin is not sin, and deserves neither censure nor condemnation. Those who are tempted by that particular sin deserve great compassion. It would not be compassionate, however, to tell them that it is all right to give in to the temptation.

—SER DAVID URSICOT
The Grange of St. Philip Neri,
Toronto

Saving the ozone layer

Your article on the hole in the ozone layer over the Antarctic was timely and informative ("New threats to the sky," *Revealed*, Sept. 14). It was disap-

pointed to note, however, that the article was limited in scope regarding the potential repercussions of a further depletion in stratospheric ozone. You mentioned damage to world food crops, death of sensitive plankton and an increased incidence of skin cancer among humans. Of significance as well are the possible changes in the global climate, and damage that might be inflicted on the world's many species of terrestrial and aquatic plants. Although many of us are physically and emotionally separated from the environment, we depend on this intricate and interrelated system of life for our survival. Perhaps it is time to be concerned for other inhabitants of the planet, no matter how insignificant they may seem to us.

—JANICE BURKE
Edmonton

With the recent death of an uncle due to skin cancer, I have become increasingly concerned with the state of the ozone layer and its consequences for the human race. The federal government can be applauded for the steps it has taken to ban the use of chlorofluorocarbons (CFCs) in some consumer products. But further action must be taken. Federal and provincial governments need to increase pressure on industries for their use of CFCs in products such as foam insulation, and solvents for cleaning equipment in workshops. Furthermore, the Canadian government should support Third World countries in finding alternatives to CFCs in aerosol products. These suggestions may seem costly. But ignoring the hole in our atmosphere that is as big as the continental United States will lead to unimagined consequences in terms of human and animal life.

—INTRIGIA LARITTE
Edmonton

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Most correspondence to: Letters to the Editor, *Maclean's Magazine*, Maclean Avenue Bldg., 777 Bay St., Toronto, Ont. M5W 1A7.

PASSAGES

DEED: Pioneer automaker Henry Ford's grandson, Henry Ford II, 70, who rescued the Ford Motor Co. from collapse in the late 1940s and early 1960s, of complications arising from pneumonia in a Detroit hospital. Increasingly asthmatic and restless, like his grandfather, Ford II died to ingrain his will by reminding argumentative underlings that "my name is on the building." His name was also a synonym for cars throughout the world, even in China and the Soviet Union. When Ford and his mother (his father, Edsel, died in 1945) owned 60 per cent of the company in 1965 from his sister 82-year-old grandfather, it was losing almost \$9 million a month. Ford fired more than 1,800 executives, hired 10 young professional managers who became known as "the Whiz Kids" and turned the company around within a matter of months.

APPOINTED: An editor-in-chief and deputy publisher of the 15-year-old weekly *Financial Times of Canada*, John Macfarlane, 45, by publisher David Toller. Montreal-born Macfarlane, who has held senior positions with the *Toronto Star* and *Weekend*, and *Toronto Life* magazine, had been publisher of *Saturday Night* since 1984. He left shortly after Canadian media giant Conrad Black bought *Saturday Night*. Macfarlane says that the *Financial Times* is being redesigned by a former art director of the U.S. pop-culture magazine *Rolling Stone*, Derek Ungles.

SHOCKED: By Greek shipping tycoon Christina Ousous, 35, her fourth husband, French industrialist Thierry Renard, 34. Court officials in Switzerland, where the two had lived, said last week that the divorce had become effective in May but that its finalization had been delayed at the couple's request. They have a daughter, Athena, 3 1/2. Ousous is the daughter of Aristotelis Ousous, who died in 1975, and the stepdaughter of Jacqueline Kennedy, widow of Ousous and former president of John F. Kennedy, who was assassinated in Dallas in 1963.

DEED: Elizabeth Debbie Eden, 45, formerly Ernest Aron, whose desire for a new-chance operation resulted in the bungled bank robbery dramatized in the 1975 movie *Top Gun Afternoon*, of pneumonia caused by acquired immune deficiency syndrome (AIDS), in a Rochester, N.Y., hospital. In the film, Al Pacino portrayed John Wojtowicz, who, with a partner, tried to rob a bank in Brooklyn, N.Y., in 1972 to pay for Aron's operation. Aron underwent the operation financed in part by Wojtowicz's share of the movie's profits.

LOVE WITHOUT BOUNDARIES. AGE WITHOUT ANGUISH.



What separates the races? And what lies ahead when you get old?

Join TVOntario for thought-provoking dramas on old age and the multiracial realities of our time.

Bopha!, 13 Oct., 9 p.m. EDT. Love Match, 14 Oct., 9 p.m. EDT.

Drums along Balmoral Drive, 21 Oct., 9 p.m. EDT.

TVOntario
We bring learning to life.



MOVING? CALL TOLL FREE
1-800-268-9057
Tues. - Fri.
9 a.m. - 5 p.m.
In Ontario
596-5323

OR COMPLETE THIS FORM AND MAIL
IT AT LEAST 4 WEEKS BEFORE YOU MOVE

NAME

MAILING DATE

NEW ADDRESS

OLD ADDRESS

TELEPHONE

CITY

PROVINCE

POSTAL CODE

Maclean's
Box 100, 100 King St. W.
Toronto, Ontario M5X 1C6

Le Meridien
The Hotel of New Montreal.



Reserve at the 4 star Meridien Hotel, where Montreal's world of business and culture meet.

Located in Complexe Desjardins, just a few steps away from the city's major business centers, the Meridien provides direct access to the Convention Center and Place des Arts.

The Meridien Hotel, the epitome of fine cuisine, elegant comfort and warm, friendly service. All in the heart of New Montreal.

Make your stay in Montreal unforgettable at a price that's affordable.

Le MERIDIEN MONTREAL
TRAVEL COMPANION OF AIR FRANCE

4, Complexe Desjardins
Montreal, Quebec H3B 1E5
Telephone (514) 485-4144
For reservations from Quebec:
Orono or the Meridien
call toll free 1 800 361 8218



Playing at the Montreal Polo Club, horses measure, whiff, wino and chokassee.

DATELINE: STE-MARTHE, QUE.

A game for all classes

His team is trailing two goals to one when Steve Shutt breaks away from a defender and heads for the opposition's goal. During his 12 years as a member of the Montreal Canadiens hockey team Shutt became one of the highest scoring left wingers in National Hockey League history. But on a humid Sunday afternoon in early September, on a groomed field in the Quebec town of Ste-Marthé, 60 km west of Montreal, Shutt is not on skates—but poised atop a spirited Haraghired. And when he draws a backhand shot across the goal line, a second before he and his nearest smuck into and dislodge the 10-foot-high red-and-white-striped goal post, it is with a wooden polo mallet, not a hockey stick. Since retiring from professional hockey in 1980 Shutt has become one of the growing number of Canadian polo players who are reviving a sport once thought the preserve of royalty and the wealthy. Said the former NHL star: "Pro hockey players miss the speed, competition and danger when they retire from the game. Polo gives me a taste of all three."

Shutt is not alone. The Montreal Polo Club, revived in 1980 by eight polo fans, now has 33 playing members—with a polo season and a social season among them—who compete three times a week on the regulation 300-by-500-yard field in Ste-Marthé. And the infant Canadian Polo Association administrators 30 other clubs in varying stages of development in five provinces,

with an estimated total of 300 players. Once deemed to be a pastime only for the ultra rich, polo is now shedding the image of champagne, caviar and white breeches so long associated with it, as aficionados try to establish it as a mainstream sport. "When Prince Charles falls on his ass and makes front-page news, the public is led to believe polo is the prerogative of the wealthy," said Michael Silver Sr., president of the 50-member Toronto Polo Club. "That is unfair: in the majority of polo players, who are athletes trying to master a exciting, dangerous sport."

Polo's public renaissance comes after spending decades in a lobby of dedicated horsemen. First recorded in first-century Persia, polo was brought to India by invaders in the 13th century. By 1670 British army officers had brought it home to England, where it quickly flourished among the aristocracy. Although popular in the West among Royal Canadian Mounted Policemen, the game's first official Canadian tournament was held in Toronto in 1900. Polo faltered after the Second World War, however, although the sport continued to be played in Western Canada. It was 1980 before regular pickup polo games in the Ste-Marthé area spawned the new Montreal Polo Club.

Despite attempts to broaden the player base, polo remains a game accessible only to people of certain means. Serious competitors typically use a fresh horse in each of a game's four to six chukkers—14-minute peri-

The Office space



WORLD TRADE CENTER, VANCOUVER

For rent.
(604) 681-4111

Colliers Macaulay Nicolls Inc.

od)—although most club members claim there are between two mounts. The polo "ponies," often retired race horses, cost anywhere from \$1,000 to \$10,000, in addition to boarding costs. Said Shurt, now an executive with Toronto-based Designer Fashion Group, who owns four mounts: "Polo is the so-called yagge sport, and everybody's getting into it. That drives the price of horses way up." And the sheer size of the polo grounds—the St-Martin's playing field is needed with a special mix of bountiful—means that most polo clubs must maintain a steady flow of real estate. Said Donald Penczyk, a vice-president with Toronto-based clothing company Chaps Ralph Lauren, who owns one of the Montreal club's two fields: "Polo is an addiction that only poverty or death can cure."

It is also a sport for the brave. Tragedies are not unknown in the game, and last year the United States Polo Association reported two fatal game accidents. There are the players who have suffered injuries. Last August Montreal Cavaliers defenseman Larry Robinson broke his right leg when it was crushed between his horse and a competitor's during a St-Martin's game—an injury that will keep him out of hockey action until at least December. "While two \$300,000 polo mules could be \$30 miles per hour," said Penczyk, "something has to give."



Shurt: testing speed and danger

But it is precisely its speed and danger that makes well-played polo an exciting spectator sport. On Labor Day weekend 5,000 spectators, among them many young females with children, gathered at the Montreal Polo Club for its third annual Polo For Heart Tournament, which raised \$40,000 for the Que-

bec Heart Foundation. "Polo is exciting to watch because it is today on horseback," observed Peter Collier, a Montreal entrepreneur who moved to Hollywood in the 1970s. Added Collier, who does play-to-play announcing for the 3,000 fans who regularly stream home games of the Los Angeles Colts, one of its teams in the indoor American Polo League: "Polo is losing the stigma that it is only for the rich. The league has brought polo to the man and woman in the street."

But polo's players and promoters are still saddled with the sport's glamorous image. St-Martin's has stepped carefully to avoid the image of horse manure to spread picnic blankets along the sidelines. And unlike the hotdogs and beer devoured at most sports events, the Montreal Club fans sip white wine from tall glasses and nibbled warm croissants. Even the tournament prices were unique: four winning team members each received a customized Rolex watch with the silhouette of a polo player etched on the face. And American fans are attracted to charity polo matches by the participation of such celebrity players as television actress Pamela Sue Martin and Stephen Powers.

For his part, the Toronto Club's Shurt derided such claims: "We try to discourage people who want to take up the sport solely for the status," he said. Shurt instructs new recruits in the game's difficult technique of striking the regulation leather-and-rubber ball, 2½ in. in diameter—using a galloping horse—with a 9½-in.-long mallet mounted on the end of a flexible bamboo pole. In international "high-goal" polo, players are rated and given a handicap similar to golf. Last year a Canadian team was interested but did not qualify to compete—in the first-ever World Handicap Championship in Buenos Aires, sponsored by the three-year-old International Polo Federation. And the federation is lobbying the International Olympic Committee to include polo, a full-fledged Olympic event as recently as 1936, as a demonstration sport at future summer Olympic Games.

Meanwhile, club-level players boast of their fanlike personal enthusiasm for the sport. Penczyk, for one, works in Toronto but fans home in Montreal every Thursday in time for his 7 p.m. polo game. "I can remember driving from Montreal to Hartford and back in a soueaster just to play four chukkers," he said, recalling one earlier game. Added Shurt, whose five players have been at St-Martin's facility assembled in the September game to the winning team from Superbail, Va., by a score of 7-4: "Polo is a chance to live on the edge for an hour."

—BETTE NEWMAN in St-Martin's

COLUMN

When women do men's work

By Barbara Amiel

Last February a Canadian human rights tribunal in Vancouver handed down a decision in the case of four female prison guards who had accused the RCMP of discrimination. The women had been working in RCMP lockups guarding both male and female prisoners, but in January, 1981, the RCMP reactivated its long-standing policy that prisoners must be guarded by persons of the same sex, arguing that the right of male prisoners to privacy in such intimate matters as using the toilet took precedence over the women's need for absolute equality in employment. Since there were not many female prisoners in the lockups, the female guards soon found themselves reduced to part-time status. The Human Rights Commission, agreed with the women and took up the case against the RCMP, all the way to the tribunal stage.

The tribunal hearing was lengthy—the evidence alone took eight days to present. Still, I could find virtually no significant references in the tribunal report to the 118-page judgment. But even though the decision went against the women and the timer was up, the issues remain with us. Problems of women at Kingston Penitentiary have been taken in the past by the government by male inmates of female guards, according to James Atkinson, chairman of a citizens' group set up by the penitentiary service to monitor the prison. For both civilian and several reasons, the Vancouver human rights case seems to me of fundamental importance to this country.

"Cross-sex guarding" began in the mid-1970s when the push to get women into "non-stereotypical jobs" started in earnest. By 1980 all federal penal institutions, from maximum to minimum security, were fully integrated with women. Female guards do exactly the same job as men with the exception of body searches, although they do frisk inmates. Not surprisingly, this raised problems.

The job of a guard is to watch an inmate—most especially when he does not expect to be watched. Evidence at the tribunal indicated that a guard, for example, may have to make sure that a prisoner's hands are not concealing weapons or drugs even when he appears to be performing a perfectly normal function like exercising. Successful prisoners are stripped of all clothing

and may be denied a blanket to cover themselves. Male prisoners have been complaining to the Human Rights Commission since the early 1960s about the use of female prison guards. They argue that it is unfair since women prisoners in Canada are specifically protected from having male guards by the United Nations Standard Minimum Rules for the Treatment of Prisoners resolution, to which Canada gave its support.

The Human Rights Commission seems to have been disturbed to respond to such intimate matters as using the toilet took precedence over the women's need for absolute equality in employment. Since there were not many female prisoners in the lockups, the female guards soon found themselves reduced to part-time status. The Human Rights Commission, agreed with the women and took up the case against the RCMP, all the way to the tribunal stage.

It is a nightmare to find the Human Rights Commission against human dignity and the RCMP trying to defend it

It has yet to come to a tribunal.

Evidence at the Vancouver hearing was fairly consistent, and the tribunal judge agreed that it was likely that women guards would normally come upon men on their knees and discover their work in their defense, the RCMP argued that the women would only give brutality at men if they were on parole, that women routinely use men in a state of undress and that women guards had a positive effect on decorum in prisons.

Reading the judgment, I found the cavalier attitude of the RCMP to this issue of male privacy—and another important aspect of the matter, sexual harassment in prisons incredible. I remembered the poignant letter in The Ottawa Citizen after the brutal rape-murder of 21-year-old female physiology student Colla Ruyppok by an inmate of the John Howard Society's halfway house in Mississauga. Ruyppok was working at the time at the halfway house, and the letter, from a convicted murderer who had also been stayed in halfway houses, depicted the tensions and difficulties experienced by male

prisoners when women are put in positions of authority over them. I remembered the bitter frustration in a quote in The Toronto Star from an inmate watching a female guard: "They just put you in here to be bug as I mean, you are a good-looking fellow going by, and you know you can't do anything about it."

Most of all, I remembered my own brief time in prison as Mountbatten with male guards who could look at me through a peephole at any time. You didn't have to be touched or assaulted to feel the indignity.

The RCMP's success in the Vancouver case ought to have ended the whole idea of female guards. But in Canada's federal male penal institutions—where there were 522 female guards as of May, 1987—the practice of cross-sex guarding continues. Nothing has changed. Why?

Canada has long recognized the force of the human need for personal privacy. The Supreme Court of Canada has affirmed it; Parliament enacted The Privacy Act in 1982; the practice of nudity is far from easy things, but we have never believed that their last shred of personal dignity should be stripped from them—which is why we agreed to the resolution. We understood that there is some delicate manhood in all of us, even the most womanly. We have not believed that their last shred of personal dignity should be stripped from them—which is why we agreed to the resolution. We understood that there is some delicate manhood in all of us, even the most womanly. We have not believed that their last shred of personal dignity should be stripped from them—which is why we agreed to the resolution.

But is our sense drive for equality that has now issued all kinds of concrete views, but we are not sure, we have thrown the dignity of human beings to the wind. In this Kithengee Canada, it is the Human Rights Commission that is arguing against human dignity and trying to keep away the last remains of our manhood. We have now, and it is the RCMP alone that is trying to retain it. Could we have believed, in our worst nightmares, that the Human Rights Commission would sacrifice decency in the altar of ideology to this extent?

If a woman wants to be a prison guard, why can't she be one in a woman's prison? What every ambition of the protected and favored group be at the expense of the dignity and manhood of others? Violating most present women's rights, it is the RCMP alone that is trying to retain it. Could we have believed, in our worst nightmares, that the Human Rights Commission would sacrifice decency in the altar of ideology to this extent?



ONLY TOSHIBA CAN TURN A HILL OF BEANS INTO A POT OF COFFEE IN ONE STEP



Pour to fresh beans, pour in the water, select the grind and touch a button. Myages later, Toshiba's amazing My Cafe has made fresh coffee from fresh ground coffee beans. On program is the right

before to have the coffee ready when you wake up. At just \$199.95, it's the freshest gift idea to come along in years.

TOSHIBA
IN TOUCH WITH TOMORROW



As the deadline for last week's national postal strike approached, all the signs pointed to a violent confrontation. During the last strike at the post office in June, there were violent clashes on the picket lines when Canada Post brought in temporary workers to replace striking letter carriers. And in the current dispute the Crown corporation faced a union with a much tougher reputation, the Canadian Union of Postal Workers (CUPW). Facing far trouble, the post office hired hundreds of replacement workers—and took elaborate precautions to protect them. It hired extra security guards, erected eight-foot-high chain-link fences around some mail sorting plants, created special beltways and tested fleets of buses to transport temporary replacements—referred to as “zebras” by the union—across picket lines.

The early days of the strike, however, were surprisingly calm. Except for one serious incident in Montreal, where mail trucks were set on fire in two post office strikes, costing \$15,000 damage, most picket lines were orderly as the union staged a series of rotating strikes. The walk-outs disrupted mail service in eight centers: St. John's, Halifax, Quebec, N.E., Montreal, Ottawa, Hamilton, Edmonton and Victoria. CUPW, which represents mail sorters and postal clerks, said that the strike was costing the post office \$2 million to \$3

million a day and claimed that it had managed to cut mail volumes by 60 per cent. But Canada Post officials insisted that they were keeping the mail moving, adding that volume was 80 per cent of its normal level. Still, Labor Minister Pierre Cadieux threatened to legislate the strikers back to work if the unions lasted. After receiving a report on the dispute from his associate deputy minister, William Kelly, Cadieux declared: “The government will not tolerate a disruptive, protracted work stoppage at the post office.”

Strike But even the toughest legislation will not solve Canada Post's problems. Last week's strike was a further sign that one of Canada's most important institutions is entering a period of crisis unmatched since the labor strife of the 1960s and 1970s. The battle lines are clearly drawn. A new breed of business-oriented Canada Post managers, backed by a like-minded Conservative government, is determined to bring a host of contract concessions on work rules, job security and overtime from the corporation's well-established unions. The unions are equally determined to hang on to gains they have made in earlier years.

Canada Post president Donald Lander, a hard-driving former auto

CANVER DRAWING THATTLE LINES

Dunstan (left); strikers in Hamilton; Parcel g with a \$3-billion-a-year corporation

executive, is determined to win (page 16). The concessions he seeks from the unions are part of a wrenching overhaul he has planned for the post office—and the changes are far from complete. Lander is continuing a process begun in 1981, when the federal government turned the vast and unwieldy post office department into a Crown corporation and hired top Warren civil servant Michael Warren as its first president. It was an awesome task: the institution had 63,500 employees, 5,350 outlets and militant union leaders stirred by years of confrontations with management.

Crises Drawing up a plan for reorganizing the post office took time. Only in the past two years have Lander and his top officials come to grips with the problems of a \$3-billion-a-year corporation that serves about 36 million pieces of mail every day—a total of 79 billion pieces last year. But their plans for further change placed them squarely against Canada Post's powerful unions—and

neither side shows any sign of backing down. Indeed, John Kervin, an industrial relations expert at the University of Toronto who has studied the post office, says that Lander's plans set the stage for a series of labor battles that could stretch well into the next decade. Said Kervin: “We’re in for a knock-down, drag-out fight, and there is no sign of improvement on the horizon.”

Wages Lander is guided by Canada Post's five-year plan, a 100-page document that lays out the corporation's future in minute detail. But one element overshadows all others: according to the plan, Canada Post has to erase its deficit—\$129 million last year—by 1988. That has forced the corporation into some controversial cost-cutting moves, including a proposal to close hundreds of rural post offices (page 18). But the key to balancing Canada Post's books is an ambitious plan to win concessions on wages and work rules from 61,640 employees in seven unions

Service of Canada, voted by a margin of 80 per cent to strike if Canada Post failed to improve its current contract offer. The corporate staff, whose contract expired in May, 1986, could go on strike—for the first time—by late November. Said union organizer Lee Grenier: “We’ve never given them a problem—no grievances, nothing. When a group like this tells Canada Post that enough is enough, then you know something has changed.”

By last January all the corporation's unionized employees were working without contracts. Then, in June, the 50,000 members of the Letter Carriers' Union of Canada (LNUC), the post office's second-largest union, declared the nation's first postal strike since 1981. It lasted 19 days and set the pattern for last week's walkout by inside postal workers: the union staged rotating strikes, disrupting mail flow without completely shutting down the system.

In the end, the letter carriers accepted a 31-month contract with pay increases of three per cent a year and gave up some contract clauses that

management said hampered mail delivery. But they did not agree to several of Canada Post's key demands, including its call for a two-tier wage system under which new employees would earn less than those already in the union.

Parade CUPW has been just as tough. The union backed down from several of its wage demands, but it insisted on negotiating Canada Post's plans to sell postal franchises to private store operators. Although Canada Post officials pledge that no current employees will lose their jobs in the reorganization, union spokesmen say that franchising could eliminate 4,300 graded jobs—but not elite jobs—behind the counters of Canada's 608 post offices, leaving CUPW members with only less-attractive shift work in mail-sorting plants. Said CUPW president Jean-Claude Parrot: “I cannot sit at the bargaining table and say, ‘Take 4,300 good jobs from me.’ I’m not budging on that issue.”

Still, Parrot made some concessions after the rotating strikes began. The union, he told negotiators for Canada Post on Sept. 30, would end fight the creation of franchises in new shopping places and some other locations—as long as existing postal stations were not turned over to franchisees and providing that none of the existing 4,300 worker jobs were eliminated. But chief management negotiator Harold Dunstan said that was not nearly enough. He said that CUPW

should negotiate on the basis of a report released before the strike by federal conciliator Claude Paré. Paré's report supported Canada Post's financing plans and called for union concessions on job security.

That response confirmed the union's worst fear: That Canada Post was only waiting for the government to bring in back-to-work legislation, which would, in effect, implement the Paré report. Union leaders said that the legislation threat was one reason the public letters were so quiet. CUPW did not want to give the government an excuse to order its members back to work. But the union could not control all of its members. In Montreal, the militant union local defied its national leaders by ordering a complete walkout.

Help! Meanwhile, Canada Post advertised in newspapers and on radio across the country for workers to replace the striking postmen and hundreds responded. When various unions refused to send their rotating strike as scheduled, Canada Post would not let them return to work and kept using replacement workers. William Giggie, chairman of the Computer System Administrators Union, claimed that Canada Post also distributed some management personnel from Ottawa to other cities to help keep the mail moving. They were "given \$4,000, a credit card and they were gone," said Giggie. "Canada Post told them to be prepared to be gone for two weeks, then come home for a few days to visit their families and go again."

In Ottawa, Paré and Leader matched moves like chess players. Leader monitored the mail from Canada Post's computerized control centre on the sixth floor of its headquarters in the Sir Alexander Campbell Building, an office tower in the south end of Ottawa. A few kilometres to the north, Paré and his union executive determined strategy in a cluttered meeting room in CUPW's headquarters, located over a downtown Italian restaurant.

The strike—the post office's 10th in the past 32 years—was just the latest chapter in Canada Post's notorious saga of labor relations. The roots of

the problem stretch back decades—but were compounded in the late 1960s when the post office embarked on an ambitious plan to mechanize its operations. As the wooden furniture of staid Victorian post offices gave way to

out of Ottawa." According to Stewart-Patterson, middle-class politicians added to the confusion. As the labor situation worsened—there were seven major strikes between 1965 and 1981—ministers in charge of the post office



Canada Post supervisors in Ottawa headquarters control centre, Adolphus Dick of the moving mail

clinging machines in growing new sorting plants, workers became increasingly militant. Said the University of Toronto's Kevin: "People were shifted into settings designed, it seems, by engineers who had a naïve outlook on human nature. They are hostile places to work." Added

King: "The big plants were the worst thing they could have done. Everybody admits that now, but the plants are still there, and the staff there—and the bad feelings are still there."

King Meanwhile, postal management descended under increasing pressure from unions and government. Management had to rely on a variety of government

increasingly bought peace by accepting restrictive work rules that drove up postal costs. At the same time, they delayed raising stamp prices to avoid public complaints—depriving the post office of badly needed revenue.

By 1978, then-prime minister Pierre Trudeau ordered that the post office be turned into a Crown corporation. The assumption was that the post office would be more efficient if it operated like a private business. Three years later Canada Post Corp was born. But the government badly underestimated the difficulty of transforming a government department into a semi-independent business. Many managerial functions, such as fi-



Kelly depicts

ation, had been housed in part by different government departments, under the Crown corporation structure, Canada Post had to recruit its own specialists.

But despite the change—designed in

part to put distance between politicians and the postal service—Canada Post remains closely tied to government. Cabinet still appoints the corporation's board of directors and president, approves its business plans and controls its revenue by approving—or withholding—increases in postal rates. And although Harvey Andre, the minister responsible for Canada Post, said last week that he was not influencing the course of the postal negotiations, Canada Post officials acknowledged privately that Andre was on the telephone with Leader almost daily.

Pressure: Under its first president, the outspoken Warren, Canada Post managers grumbled for submission to their problems, while union pressure continued unabated. The election of a Conservative government in 1984 brought new problems. "After almost 30 years in opposition, the Conservatives still thought of the post office as a big patronage opportunity," said André Villeneuve, Canada Post's vice-president of communications. "We told them, 'It's different now, we're a corporation.' They didn't believe us."

The distrust was pervasive. In June, 1985, Pierre Bédard, the first Conservative minister responsible for Canada Post, set up a five-member committee led by Alice Marchment, chairman of

Garratt Trust Co. of Canada, to study Canada Post and make recommendations on its future. "We came away thinking it was basically hopeless," said committee member Allan Granger, vice-president of a Vancouver



Montreal CUPW leader Marcel Perreault, outcast

brokerage firm. "The unions got away with so much, management had an extremely combinatorial attitude, and they had about twice as much management as they needed."

Granger said that she was antago-

ed when Warren's staff presented plans for a \$750-million electronic mail system. "They had no market surveys, no idea of how to use for it, nothing," she said last week. "If it was a corporate finance deal, I would have packed my bags and walked out."

In a November, 1985, report, the Marchment committee made 12 recommendations, including one that the government should consider selling Canada Post to private business if it could not break even by 1991. That was not soon enough for the Conservatives. The five-year business plan approved the following year stipulated that Canada Post break even by 1988.

Alarm: For now, the most alarming part of the plan was a commitment to sell part of the franchise to small stores and businesses. Canada Post intends to move out of the over-the-counter postal business—except in a few rural areas—and concentrate on mailing and distributing mail. Its current retail network is a hodgepodge of 13,200 outlets—6,000 of them operated by Canada Post—ranging from massive public buildings to

stamped letters on sugar shelves. Kenneth Krueger, a Canada Post vice-president who is in charge of retail services, said that a number of surveys of more than 11,000 people from several private firms from the fall of

BEHIND THE REVOLT IN MONTREAL

The man who leads the most militant post office local in Canada is a charismatic testator who works seven days a week and claims no interests outside his union activities. Marcel Perreault, 55, became a union shop steward in 1966, just three years after joining the Canadian Union of Postal Workers (CUPW), and became the local's president in 1982. After leading his 4,800 Montreal members into a full-scale walkout, Perreault finds himself better known than just Canada Post. His defiance of the rotating strike strategy set by the union's national executive also provoked a confrontation with current president Jean-Claude Paré, one of Perreault's oldest colleagues in the labor movement.

Paré and Perreault have fought past labor battles against the post office side by side, including disruptions during which Paré was the Montreal local's first vice-president under Perreault. But former postmaster general Royce Mackenzie, who negotiated with both men during the 42-day 1973 postal strike, noted important differences in styles between them. Said Mackenzie: "Paré reflects broad concerns about social issues and politics. Perreault is a loner, a highly educated but inflex-

ible man whose whole life is bound up in his union."

Despite his low national profile, Perreault has enjoyed his union's size and militancy into a powerful bargaining position. During the sometimes violent strikes in the 1970s, the Montreal local was often accused of being controlled by Communists. But Perreault denies that the union narrative was ever motivated by ideology. Said Perreault: "You will not hear an orange in long discussions of rhetoric which achieve nothing."

Perreault and Paré have had differences in the past. Last year Paré was successfully run a slate of candidates for the Montreal executive against Perreault and his associates. The bitterness between the two men erupted last week Louis Laberge, president of the Fédération des travailleurs du Québec, begged them to set aside their personal enmity until after the current strike is settled. The attempt failed, but a tired Paré refused to enter a war of words with Paré. Said Perreault: "The enemy is not the national executive. It is Canada Post."

—FRUIC WALLACE in Montreal

1986 through early summer of this year showed that the company's own employees (served by the old-style downtown post office. By contrast, Krueger said that the survey showed general satisfaction with the 2,000 privately run sub-post offices in convenience stores and drugstores, many of which are open in the morning and situated in shopping areas with abundant parking. Said Krueger: "We have to bring postal service out of the last century, and we just don't have the money to do it. By franchising, we get other people to pay the price."

Under Canada Post's plan, store owners will pay fees as little as a few hundred dollars to more than \$100,000 for a franchise, depending on how much the outlet is expected to earn. The franchisees offer a full range of services that to ensure that customers can buy stamps close to home. Canada Post also expects the franchisees to arrange with a number of local stores nearby to sell prepackaged stamps.

Replies: Currently there are only seven franchised postal outlets—in Winnipeg, Toronto and London. But during the next 10 years Canada Post expects to replace thousands of post offices and sub-post offices with such outlets, although some existing post offices in good locations would be retained. Estimated savings of the more than \$1.5 billion, most of it in labor costs.

CW's officials say that is unacceptable. Union leaders acknowledge that many post offices lose money, but they argue that their revenue would increase if, as in other countries, they were allowed to sell other products such as bus passes and other services such as bill payment. But Canada Post insists that its plans for franchising are not negotiable. One postal official, compared CW's demand to an auto union telling a car company what line of cars to make. Added Canada Post's Dawson: "We have offered the union total job security. No employee would be laid off as a result of opening a franchise. I don't know how much further an employer can go."

While taking a hard line with the unions, Lander himself has been somewhat open to have ended much of

the front-office confusion that marked Canada Post's first years. Lander himself has longed for the discipline of an experienced factory manager in earlier days, said Krueger, "people did things because Joe, their predecessor, told them to do it that way." Lander analyzed the whole operation in detail. Canada Post's Villeneuve recalls him touring one plant in Montreal and firing detailed questions at a supervisor about the charging of batteries in forklift machines. Added Villeneuve: "Lander wanted to know why the batteries were arranged the way they were, whether increased time could

an attempt to improve delivery service."

The new methods have already shown results. The post office's operating deficit, which had soared to \$995 million in 1984, dropped to \$210 million in 1985—and then to \$129 million last year. And despite an eight-per-cent increase in the volume of mail over that period, Lander cut 1,200 people from the payroll. Canada Post also says that it has improved delivery times.

Still, major problems lie ahead. Post office critics contend that government influence could still play havoc with



Post office franchisee in Winnipeg pharmacy feeding the coin winds across the bargaining table.

he made quicker if things were moved a bit—all questions I never would have thought of."

Topic: Change came quickly. Lander insisted that the corporation's 30 major plants standardize their equipment. He speeded up replacement of hard-to-handle mailbags with wire and plastic containers. Postal workers who once laboriously stacked bags on tractor-trailers by hand now load the containers with forklifts. The new president also introduced a system of color-coded tags that allow supervisors to identify at a glance any mail that is behind schedule—and give it priority in the system. But his crowning achievement is the two-year-old control center in Canada Post headquarters, where a small team of experienced supervisors monitors every movement of the mail in

Canada Post. Above all, Canada Post has set itself on a collision course with its unions. Said negotiator Duranton: "We won't do it all in one round of bargaining. We may not be able to do it in two or three rounds of bargaining. But we need change." In preparing for that battle, Canada Post, like its labor foe, has recognized the need for public support. Last month it followed a series of full-page newspaper advertisements by distributing 10 million full-color flyers to mailing addresses across the country. The flyers said in part, "We'll be the first to admit, it's time Canada Post improved." Even the battle-scarred negotiators in the latest dispute would support that sentiment.

—MARC CLARK in Ottawa with correspondents' reports

The solution to Canada's tragic 4,000 traffic deaths a year isn't just better cars. It's better drivers.



Here's how professional driver training of young people can cut the toll by almost a third over the next five years. And what Texaco is doing to help.

Drive to survive. If every new driver was a graduate of a high quality professional driver training program, we could cut our death toll dramatically.

Teaching your teenager to drive could be dangerous—because you may unknowingly pass on deadly habits.

Good driver? Bad teacher. When a traffic light turns green you step on the gas and proceed with caution. Right? Wrong. Always look left, center, right and left again so be certain all traffic has cleared an intersection.

If you failed this test, let a professional teach your teenager to drive. And survive. Texaco is making the reduction of traffic deaths and injuries our cause.

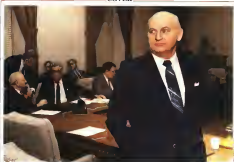
A 10% reduction in the cost of professional driver training. Right now, we'll arrange for a 10% reduction in the cost of sending your teenager to Young Drivers of Canada.

Drop by a nearby Texaco service station and pick up our "Drive to Survive" information brochure. Or call, toll-free, 1-800-268-4520.

Just the beginning. Texaco will also be taking steps to raise public concern about traffic fatalities and the vital importance of high quality professional driver training in many other ways as well. Because the way we see it, our job isn't just to help get your car safely from one place to another, but to help get you and your family there safely, too.



Let a professional teach them to drive. And survive.



Lander, a 'top salesman' who 'thinks, eats, breathes and sleeps Canada Post'

A TOUGH TOP GUN

He is, by all accounts, not an easy man to work for. Throughout his career as an auto industry executive and now as president of the executive Canada Post Corp., Donald Lander has set high standards—and demanded that others live up to them. That policy has not always won Lander the affection of associates and employees, but it has usually earned their respect. And none who know him question Lander's complete dedication to whatever job he takes on. "Lander thinks, eats, breathes and sleeps Canada Post," says Donald Swanson, the post office's general manager of operations. "He's determined to make it work."

Reputation: Lander, 62, was born in Ottawa, Ont., home of General Motors of Canada Ltd. But he made his mark in the auto industry with Chrysler Corp., joining the sales department of Chrysler's Canadian subsidiary in 1959 and rising steadily through the ranks. Gordon Pfeiffer, a Chrysler vice-president and longtime friend, remembers him as "a real salesman, very gregarious, very much a dollar-a-man. When he drove, he always had one hand on the wheel and one hand on the car's phase." In 1979 Lander was transferred to Britain and became head of Chrysler's European operations. There he dealt with more than a dozen unimpressed and indignant

unions—foreboding his career confrontation with striking postal workers. Still, he won the respect of unions. Reid Wilkins Lagerwey, who negotiated with Lander on behalf of British Chrysler workers. "We found him very reasonable and very fair."

In 1979 Lander reached what should have been the pinnacle of his career: becoming president of Chrysler Canada Ltd. in Windsor, Ont. But less than a year later the U.S. parent company's new chief executive, Lee Iacocca, ordered a wholesale purge of Chrysler's front office, and Lander, then 51, left the company. Undaunted, he went to work for the fledgling John Deere, a man who was struggling to start his own auto company in Northern Ireland. The venture collapsed in 1982 after Deere was charged with possession of cocaine—he was subsequently acquitted—but Lander, the firm's managing director, emerged with his reputation intact. In *Great Deceptions*, a 1983 book on Deere, author Haldor Lorvick wrote that Lander was "one of the few people in the entire company who saw praise from all factions."

After returning to Canada, Lander became Canada Post's chief operating officer in 1984 under then-president Michael Warren. It was a perfect job for Lander. While Warren concen-

trated on selling the company to the public and the politicians, Lander quickly displayed his own special genius for day-to-day management. He introduced new controls to ease mail handling and set new performance standards.

Tough: Some employees contend that Lander takes his determination to extremes. André Villeneuve, Canada Post's vice-president of communications, acknowledged that Lander "is a tough guy. There are no ifs, ands or buts for him. If you have to deliver something, you'd better deliver." Another official put it more bluntly: "He can be a son of a bitch. People are afraid of him."

At the same time, associates say that Lander does not spare himself. At night, he takes home a sheaf of computer printouts that give a snapshot of how the nation's mail moved that day. The next morning, he expects a full summary of overnight operations in his desk before 8:30 a.m., when he meets senior staff members.

Discontent: There have been other criticisms of Lander, whose undoubted talent is in the \$175,000-\$200,000-a-year range (well above the Prime Minister's salary of about \$130,000). He has displayed none of the public relations skills of Warren, who worked tirelessly to improve Canada Post's image. Lander, in contrast, has buried himself in balance sheets and flow charts, refusing almost all requests for interviews. (Including one from *Maclean's* last week.) And Lander has shown none of Warren's political instincts—a potentially disastrous failing in Ottawa. "Warren wasn't too good on operations, but he understood how government works and how to manipulate politicians," said one former Canada Post executive. "Lander doesn't."

Indeed, on the rare occasions when Lander has testified before parliamentary committees, he has seemed lost by going vague and jargon-filled answers to their questions. But critics say that Lander gets along well with Harvie Andre, the minister responsible for Canada Post, and has his support. Clearly Lander will need that backing—and more—in his efforts to halve Canada Post's tangled problems.

—MARC CLARK in Ottawa

Twice a day, five times a week, a letter carrier in the cozy blue uniform of the Royal Mail walks up the path to Stan Hudson's apartment in London's Camden borough. Like other Britons, Hudson takes for granted prompt mail service to his home—and speedy delivery of the letters she made Stan Hudson, 36, manager of the London office of Japan's Fuga Television. "I can post a letter or card to my parents in Scotland in the afternoon, and they'll receive it the following morning."

In fact, the Royal Mail provides twice-daily delivery to all but 1.8 million of the 33 million addresses in the

MOVING THE MAIL IN OTHER COUNTRIES

free telephone service subsidize postal operations. And in the United States, a massive mail volume—147.4 billion pieces last year—allows the United States Postal Service (USPS) to enjoy greater economies of scale.

Wages: Canada Post officials say that their rates compare favorably with those in other industrialized nations. Basing calculations on the average manufacturing wage in each country, it says that wages 1.8 minutes for a piece to earn the price of mailing a first-class letter in Canada—36 cents (U.S. Americans—at 145 minutes—do better).

Canada Post officials add that standards for on-time delivery of properly addressed first-class mail—two days within the same city, three days between major centers in a province and four days between major centers in different provinces—are reasonable for such a large country. Donald Swanson, general manager of operations, said that Canada Post now meets that standard about 90 per cent of the time—and expects eventually to move 90 per cent of the mail to line Australia, with similar damages to cover, offers delivery within the same state the next working day, between state capitals on the second working day and between smaller centers in different states on the third day.

Still, most other postal services are better than Canada's in generating revenues. At the same time, government postal services were the norm in Western industrialized countries. But many national postal services have begun operating more like private businesses, aggressively searching for new ways to add revenue and control costs. In Britain, the post office offers an array of over-the-counter services, including banking to the side of dog and motor vehicle licenses. The Gibrak, an independent bank that rents post office space, earned the Brit-



British postal service at work: twice-daily mail delivery and a \$360-million profit in 1989

United Kingdom—a standard of service that many Canadians would find remarkable. And it plans to extend that service to another 400,000 suburban homes soon. Just as remarkable is the Royal Mail's financial performance. Unlike Canada Post, which had an operating loss of \$128 million in 1989, the Royal Mail showed a \$300-million profit.

Profile: The Royal Mail is not alone. Postal services in Australia, the United States, France and West Germany all operated in the black last year. Unlike Canada Post, which aims to cut employment levels by 14 per cent by 1995, other services have managed to stay profitable hiring more workers. Postal unions agree that Canada Post should be able to copy that success—without selling retail operations to private business. David Greiff Bickerton, research director for the Canadian Union

of Postal Workers (CUWP). "In Ronald Reagan's America and Margaret Thatcher's Britain, the post office is expanding. But here in Canada, Brian Mulroney wants to privatize it."

Comparisons between postal service in Canada and other countries are difficult to make. Canada Post officials note that Britain's mail is much smaller and the highly concentrated population gave its post office a big advantage over Canada, with its small population spread over huge distances and with its severe weather. West Germany's post office and telecommunications monopoly are combined under a single ministry. Profits from the lucra-

PRICE OF A FIRST-CLASS STAMP IN CANADIAN FUNDS

USA	30¢
Canada	36¢
Australia	36¢
Britain	37¢
West Germany	54¢
Japan	54¢

ink post office \$50 million in the last year alone.

Crow argues that Canada Post should offer similar services, but the corporation says that such experiments have been unsuccessful. In 1984 Canada Post began offering an experimental service in eight post offices whereby customers could order merchandise by catalogue and pick it up later. Postal officials say the endeavor did not work. But CROW leaders insist that it was cancelled for political reasons. They say that lawmakers, worried about possible competition from the post office, pressured the Liberal government of the day into discontinuing the experiment.

Despite competition from couriers, franchisees, electronic mail and other communication methods, mail volume is increasing in most Western countries. For many postal services, that means expansion. The British post office, expecting the number of letters posted to grow by 25 per cent over the next five years, plans to add 50,000 to its staff of 100,000. The Australian service, which posted a modest profit of \$9.2 million in 1986, added 706 employees last year. The corps already employs 600,000 employees, making it one of the largest employers in the United States. Under U.S. law, the employees are prohibited from striking.

Nike And the Americans have no plans to privatize their postal service. House congressman William Ford, the Michigan Democrat who chairs the House of Representatives' post office committee, "If you look at the rates in any of the democracies of the Western world, you will find we are the lowest. This system couldn't be improved by private delivery or anyone else." But the USPS is not trouble-free. After earning a profit of \$309 million in 1986, it expects to record a deficit this year of \$252 million. The reason, a proposed hike in the cost of a first-class letter to 65 American cents, or 32 cents (the equivalent in Canadian funds of an increase to 35 cents from about 28 cents) has not yet been approved.

Still, the U.S. experience should be encouraging for Canada Post, which became a Crown corporation in 1981. When the USPS was transferred from a government department into a semi-independent public corporation in 1971, Congress gave it until 1984 to become self-supporting. It revealed that target was one ahead of schedule and has made a profit in four of the past five years. In the coming years Canada Post hopes to report that success story.

—NANCY GEE in Toronto with
PHILIP WISLOW in London and
WILLIAM LOWTHER in Washington

THREATS TO SMALL-TOWN POST OFFICES

The people of the Cape Breton town of Florence, N.S., are known as fighters. When 408 men lost their jobs in a 1962 coal mine closure, the townsfolk protested so strongly that the company found new jobs for them at nearby Sydney Mines. Now, 26 years later, the people of Florence (population 3,000) are fighting once again—this time to

hundreds more over the next decade. For the protesters, the post office is more than just a place to buy stamps. As in many small towns and villages, it is a focal point of community life. Residents use the post office to exchange local gossip. And senior citizens—about half of Florence's population, or over 50—regularly congregate on the benches outside the wood frame building. If the



Florence post office; for protesters, more than just a place to buy stamps

make sure that they do not lose their local post office. While Canada Post Corp. has neither confirmed nor denied that the office is one of hundreds of small postal outlets targeted for closure, even the rumor that it might be shut down sent enough to spark a determined community campaign. Said county controller Wesley Stubbins: "We intend to make our hell of a racket."

Storify The campaign has included sending hundreds of protest letters to Canada Post and Harris Andrie, the minister responsible for the post office. About 1,500 signatures on a petition to Andrie were gathered in general stores and at a strong public meeting in the local fishery. The protesters also contacted Rural Delivery of Canada, the government's organization. Formed late last year to fight cutbacks in postal service in small towns across the country, Canada Post says that it has not yet tabulated how many post offices have already been closed—but it intends to phase out

office closings, customers would likely have to travel eight kilometers to Sydney Mines to register letters and send parcels. Said 60-year-old George Charlton: "To go there by bus would cost \$5 each way. That would be tough on a pensioner."

For their part, Canada Post officials say only that Florence will receive 90 days' notice if its post office is closed. And they say that their plan to close hundreds of the nation's 1,700 rural post offices will save the Crown corporation almost \$60 million over the next 10 years.

Still, many protesters in Florence seem optimistic that their campaign will succeed. Said Jeanne Campbell, a postal worker active in the protest movement: "For over 100 years we've had our postal service, and with the stroke of a pen they think they can take it away. But I don't think the people are going to let them take it away."

—CINDY BARRETT with HAL DONAGHIE in Florence

Street smart

Gordon Pitts is looking out for your interests. As Investment Editor of The Financial Post he marshals a team of money specialists to deliver ideas and information you can't find anywhere else. Every week.

Our reporters know the investment industry. They cultivate contacts. They do their homework. To keep you ahead of the game on new assets, share trends, mutual funds—the works.

Whether you're a veteran investor or just starting out, you'll find information in our articles, tables and charts to meet all your needs. And we tackle your specific questions in our regular column, "Your Money".

With The Post you don't get yesterday's news. You find out what issues are likely to influence your personal money decisions in the days, weeks and months to come.

The Financial Post
CANADA'S BUSINESS AND INVESTMENT NEWSPAPER

MAKE THE FINANCIAL POST YOUR BUSINESS

- ☐ Please send my 1 year subscription to The Financial Post for \$39.95. There's \$2 extra at only 75¢ a week.
- ☐ Payment enclosed ☐ Bill me

Name _____
Company _____
Address _____
City _____
Province _____
Postal Code _____

Mail to: Financial Post Circulation, Mitchell Hunter Building
777 King Street, Toronto, Canada M5W 1A7

MF01 1978



Try to imagine your fire without your past.

It's impossible.

Without your experience, you could no more imagine the future than you can prevent it from arriving.

For arrive it will.

To prepare for it, you need your own experience, and you want the help of an experienced financial company.

The Manufacturers can help you with a hundred years of experience.

Successful experience here in Canada and in more than a dozen countries around the world.

We will also bring to your assistance the collective experience of some of the brightest minds in the financial industry.

The very people whose combined efforts have helped make The Manufacturers one of the largest financial companies in Canada.

This hard won wisdom gives us the vision to help you with your financial future.

For as sure as there is no time like the present, there is no teacher like the past.

Whether you need a short term invest-

ment today, or a long range plan for your retirement, The Manufacturers has the people, the products and the vision to help you build a bright future.

The Manufacturers
We have the vision.



to the Americans in order to obtain a last-minute deal for the House of Commons. Not even Ed Broadbent, noted peace, that regional development, cultural industries and the Canadian auto industry might suffer. Added Broadbent: "Such a deal at this point could only be reached in desperation and could only be had for the future of Canada."

Meanwhile, behind the scenes, Carney had opened communication lines with the White House in a series of telephone conversations with Baker, the powerful Texas who emerged as the key official on the American side in the trade issue. These talks initially inspired little hope among the Canadians.

While the Americans moved slightly on the dispute settlement issue, they demanded in return that Canada put its sensitive cultural, regional and investment policies back on the table. But at a meeting on Sunday, Sept. 23, in Washington involving Baker, Wilson and Canadian Ambassador Allan Gotlieb, Canada agreed to try to break the deadlock through high-level political talks the next day.

The Monday meeting—in a small conference room in the Treasury building—invited 700 in. Carney, Wilson, Baker and Trudeau tried to find ways to resolve their differences while lower-ranking trade officials from both countries hovered in nearby rooms. According to several sources later briefed by Youtier, the Canadians asked for so-called "safe harbor" provision in any dispute settlement mechanism. Under that plan, both countries would agree that some subsidies and government programs would be excluded from trade complaints. But the meeting ended inconclusively, and Wilson and Carney flew home, dejected, to meet with the cabinet.

The ministers met sporadically all day in Ottawa, stewed as is how next to respond to the Americans. "Baker had been in confidence of a Canadian response by that afternoon that his office even printed three different press releases—to react to whatever announcement was made in Ottawa. By 7:45 p.m. Youtier gave up and went home for dinner.

But less than an hour later the telephone wires between Washington and Ottawa were buzzing as Carney spoke to Baker and Carney to Trudeau. A Canadian response was sent to Washington overnight,

didn't seem to be getting anywhere." The low odds on the Canadian side were evident to American officials. An administration official told *Maclean's* that Wilson and Carney explained that they could not sell the deal that the



Mulroney with the press in Ottawa: a personal effort, and many long nights

offering Ottawa's latest proposals. But by then the Americans appeared annoyed by Canada's negotiating tactics. Youtier complained to reporters that it was time to stop haggling over the telephone—and to resume face-to-face talks. But the Canadians were in no hurry. Mulroney and his ministers started themselves in cabinet meetings for most of Wednesday, planning strategy. Finally, at 11:45 p.m., Gotlieb telephoned Baker at his home, welcoming him and requesting another high-level political meeting on Thursday. According to a Reagan administration official, an embarrassed Gotlieb had to acknowledge that he did not even know who Ottawa planned to send to Washington.

In the end, Carney, Wilson and Carney flew back to Washington Thursday morning for what turned out to be only a 24-hour meeting with their U.S. counterparts. Before boarding a government Challenger jet to the U.S. capital, the three Canadians met with Mulroney in the lounge at Ottawa's airport. The press room for the free trade talks was bleak. "Nobody ever said it's final," said one government official, "but they did say it's in trouble and they

Americans were proposing in Canada—but they were also afraid of the political repercussions if the talks failed. Said the official: "It was a sincere admission that they were lost in a political tangle and they didn't know which way to go." American officials left the meeting believing that free trade was dead.

Before Saturday's agreement-in-principle, pessimistic views also abounded in Capitol Hill. The most vocal critics were members of the Senate Finance Committee, which must review any pact between Canada and the United States. After a 90-minute briefing with American administration officials, some senators said that they doubted that any deal could be worked out before the weekend deadline. Said Pennsylvania Republican Senator John Heinz: "It's somewhat remote."

At the same time, President Reagan was receiving conflicting advice on one key point. Some American officials wanted Reagan to endorse a five-year general framework agreement setting out the basic details of a free trade pact. Details of the accord would be negotiated during the following month. Others opposed that approach. Those favoring it said that any eventual failure in the negotiations would be

CLIMATE BY NATURE.



COMFORT BY CARRIER.

With a high-efficiency Weathermaker™ gas furnace.

Compact. Durable. With the kind of whisper quiet quality you'd expect from a name like Carrier.

The Carrier Weathermaker—the most efficient line of gas furnaces.

Carrier has over made. With fifty-one years of engineering know-how plus

the foresight to use dependable gas, Carrier has created a furnace with

unsurpassed economy and comfort. To learn more about the wide

variety of models available, call your Carrier dealer today.

Carrier. The name alone will make you feel comfortable.



Natural Gas
The natural choice for modern living

For comfort you can afford,
choose gas—the most
efficient way to heat.



FOR AN IMMEDIATE DEMONSTRATION OF THIS AUTOMOBILE'S HANDLING CAPABILITIES, WATCH THE WIPERS.

During some of the more unfriendly seasons in Canada, the simple process of getting from Point A to Point B can turn into an entire alphabet.

To venture into this ever-changing mainstream you need an automobile that responds instantly to your demands.

The Acura Legend Sedan is such an automobile. It has been carefully planned and thoughtfully executed to keep you in touch with your driving environment while simultaneously protecting you from it.

Power is at your disposal through a 24-valve, fuel injected V6 engine. Unrestrained, it parts the fury of a strong wind effortlessly. It also provides ample support for the stop and go nature of city traffic.

This power is transmitted to the outside world through a refined front wheel drive system that is designed to track straight during acceleration. The Legend Sedan offers inde-

pendent suspension—double wishbones up front, reduced flexion struts in the rear—to handle those roads that look like the dark side of the moon.

Further evidence of the Legend Sedan's abilities will be noticeable the moment you need to stop. Power-assisted brakes with a disc at each wheel are standard on the Legend. In addition the front brakes are ventilated to help dissipate heat build-up during hard braking.

But to really appreciate how adept this automobile is at handling Canadian weather, turn on the special windshield wiper switch and watch the wipers move to a special winter setting. Instead of being buried under the coil in ice and snow, the wipers rest higher on the windshield, ready and accessible.

And while the outdoors plays its nasty tricks all around you, inside the Legend Sedan, all is calm, all is bright.

The cluster of analog instruments provides you with irrefutable proof that all systems are go. The multi-outlet heating and ventilation system offers no hint that on the other side of the windshield it may be sub-zero. The bronze-tinted glass cuts down the glare from those crystalline expanses of snow or dazzling stretches of summer prairie. You are in a low stress environment of luxury and quiet.

When you are inside an Acura Legend Sedan, it is entirely possible to drive through the roughest



A: POWER STEERING B: JAWAVER SETTING

Canadian seasons wondering why all the fuss is about.

For complete information on the Acura Legend, contact a dealer near you or send your business card to Acura, a division of Honda Canada Inc., 735 Milner Avenue, Scarborough, Ontario, M1B 2K8.

ACURA
PRECISION CRAFTED AUTOMOBILES
A division of Honda Canada Inc.

Secure your future. Remember your seat belt.

based on Canada, because its negotiators walked away from the talks. However, Reagan's personal aides opposed that way of reaching a deal.

An administration official said in an interview that a memo was presented to Reagan on Thursday warning him against adopting the framework plan. The official said that if Canada and the United States were successful in fleshing the framework out, the domestic political benefits for Reagan would be minimal. But failure could pose severe problems for the Republican president. Many members of the Democrat-controlled Congress, which is preparing to adopt sweeping new protectionist trade legislation, would charge that Reagan's failure is reason to reduce his powers to negotiate on trade matters.

Despite the cloud of disaster in both capitals, Barney and Baker continued telephone discussions on Thursday. Their talks culminated in Baker's crucial late-night call. Officials close to the talks speculated that the fact that Baker, one of Reagan's most senior cabinet members, made a personal effort swung the balance even more than the substance of his discussions. Said an American administration official: "Mr. Baker doesn't like his name associated with failures."

As a result, Wilson, Carney, Barney and Brennan returned to Washington yet again on Friday and began the final push toward a deal. Simultaneously in Ottawa, Mulroney briefed seven of the 18 members for three hours on the state of negotiations. (Three members—Manitoba's Howard Pawley, Newfoundland's Brian Peckford and New Brunswick's Richard Hatfield—were unable to attend the hastily arranged meeting.) The provision left the meeting at the Laurier Block, which houses the Prime Minister's Office, saying that there was still considerable work to be done before a deal could be reached. But going home out of the talks for the previous week, said Saskatchewan's Grant Devine, caused the Americans "to wake up" and produce new proposals.

The full story of the final negotiations—27 hours of talks Friday and Saturday—would emerge in the days ahead. For now, both sides basked in the glow of their achievement, reaching a goal that eluded Canadians and Americans for more than a century. And both sides recognized that with the agreement mapped out, the real debate on the historic pact was about to begin.

—PETER GIBBELL, with RICHARD MACDONALD and MARGARET BROWNE in Ottawa and LARRY AUSTIN and MARCO DIORIO in Washington

F B D B

FBDB FINANCIAL SERVICES: VARIED AND FLEXIBLE.

If you're getting your business off the ground — or if you're expanding and need a term loan — talk to the Federal Business Development Bank.

Our term loans are available at flexible conditions. Choose from floating rates, fixed rates or even convert from floating to fixed. We can also help turn small and medium-sized businesses into promising candidates for support from other institutions, investors and government agencies through our Financial Planning Program.

In addition to Financial Services, the FBDB offers Venture Capital and comprehensive Management Services (such as training, counselling and information), all of which complement those of the private sector. If any of them can contribute to your success, call 1-800-361-2126.

SMALL BUSINESS WEEK
in Canada
October 25th to 31st

La Banque offre des services dans les deux langues officielles.

BACKING INDEPENDENT BUSINESS



Federal Business Development Bank

Banque fédérale de développement

Canada

All the earmarks of a Liberal sweep

In the past 17 years New Brunswick Premier Richard Hatfield has defied four different Liberal leaders in four successive elections. But according to opinion polls, Hatfield's winning streak may be coming to an abrupt end. As the campaign for New Brunswick's Oct. 13 election entered the home stretch last week, the latest survey put Liberal challenger Frank McKenna far in the lead. Conducted in late September, it gave the Liberals a commanding 55-percentage-point lead over the Tories—indicating that McKenna's party is headed for a landslide victory.

In his campaign for office, McKenna has promised to seek changes to the Meech Lake constitutional accord negotiated between Prime Minister Brian Mulroney and the 10 provinces, including Hatfield. He has also pledged to introduce pay equity legislation for provincial civil servants. But the main issue in the 45-day campaign has been leadership. Without referring directly to Hatfield's past personal problems—including a well-known episode of sexual harassment in 1980—McKenna has accused the premier of being a "liar."

McKenna's big lead has galvanized Liberal supporters across the province. Liberals proudly display placards identifying themselves as voters as "your McKenna candidate." By contrast, some Tory candidates sought to distance themselves from Hatfield. Ernie Kipping, one of three Tory MPs who failed in an attempt to remove Hatfield from the leadership in 1985, said that so he goes from door to door in his riding of Saint John North, people often remark, "There's nothing wrong with you, Ernie, but there's a lot wrong with Hatfield."

Despite the success of polls, Hatfield, 56, has given no sign that he thinks he might lose in the only televised debate of the campaign. He appeared relaxed and confident. Moreover, his party's campaign platform does little to address criticism of his record. Entitled "The Record, The Challenge, The Plan," it commits the Tories to maintaining a steady course

in 1985, and that so he goes from door to door in his riding of Saint John North, people often remark, "There's nothing wrong with you, Ernie, but there's a lot wrong with Hatfield."

Despite the success of polls, Hatfield, 56, has given no sign that he thinks he might lose in the only televised debate of the campaign. He appeared relaxed and confident. Moreover, his party's campaign platform does little to address criticism of his record. Entitled "The Record, The Challenge, The Plan," it commits the Tories to maintaining a steady course

in 1985, and that so he goes from door to door in his riding of Saint John North, people often remark, "There's nothing wrong with you, Ernie, but there's a lot wrong with Hatfield."

Moreover, his party's campaign platform does little to address criticism of his record. Entitled "The Record, The Challenge, The Plan," it commits the Tories to maintaining a steady course



Hatfield opposes



McKenna at Grand Falls, N.B., leadership

of sound management and fiscal responsibility. Hatfield has unveiled a new energy policy, including plans for a 500-megawatt nuclear power plant at Point Lepreau in southern New Brunswick. But federal Energy Minister Marcel Masse undercut Hatfield by saying that there was no guarantee that the federal government would provide substantial funding for the \$1.5-billion project. Despite such attacks, Hatfield insisted that his record will lift his party to victory. "There's no doubt we're coming from behind," he said. "Let us be giving support throughout the province."

The energetic McKenna appeared equally confident. A farmer's son, he first caught the public eye in 1977 when he successfully defended former light heavyweight Canadian boxing champion Yvon Durelle of Baie St-Anne. N.B., on a murder charge. McKenna entered the New Brunswick legislature in the 1982 election and won the Liberal leadership in 1985.

The winner of a constitutional law prize while studying at the University of New Brunswick, McKenna has voiced strong views on the Meech Lake accord which, he says, will weaken the federal government. Among other things, he says that he wants changes to ensure that the Charter of Rights and Freedoms takes precedence over a provision of the accord that designates Quebec as a "distinct society." One McKenna campaign slogan said that if the Liberal leader is elected, he will attempt to persuade the other premiers that changes are needed. "We're going to push hard as two," said the official. "We want to make sure our position is seriously considered."

McKenna's strong stand on Meech Lake has received much attention in New Brunswick. But local issues such as the construction of hospitals, roads, and bridges have not taken their traditionally prominent role. Instead, the leadership issue has dominated. And it is that issue that could prove to be Hatfield's downfall.

50 YEARS WITHOUT MISSING A BEAT

1937 **Intellifisher** excites the first high-fidelity Sound Components, including amplifier, loudspeaker and turntable with magnetic cartridge. ◊ The world swings with the Big Band Sound of Duke Ellington, Glenn Miller and many others.



1945 **Fisher** unveils the first phono-amplifier to be compatible with all recording standards. ◊ Warner Bros. film *Frankie and John* premieres. ◊ Guy Lombardo and his Royal Canadians become a New Year's Eve tradition with their first performance.

1956 **Fisher** unveils the first all-transistor phono amplifier. ◊ The world discovers Paul Anka and "Diana".



1964 **Fisher** introduces the first complete FM-STEREO system. ◊ Twenty-year old Bob Dylan sings his first recording contract.



1967 **Fisher** produces the first stereo system with "Integrated Circuitry." ◊ Canadian folk musician provides the music for "The Godfather's" landmark Broadway production.



1972 **Fisher** produces the first stereo system with "Integrated Circuitry." ◊ Canadian folk musician provides the music for "The Godfather's" landmark Broadway production.

1976 **John** introduces the first stereo system with "Integrated Circuitry." ◊ Murray McLeod introduces the first stereo system with "Integrated Circuitry." ◊ Canadian folk musician provides the music for "The Godfather's" landmark Broadway production.



1982 **Fisher** produces the first stereo system with "Integrated Circuitry." ◊ Canadian folk musician provides the music for "The Godfather's" landmark Broadway production.

1986 **Fisher** introduces the first television set and VCR with integrated stereo sound. ◊ The world discovers "The Godfather's" landmark Broadway production.



1987 **McKenna** introduces the first stereo system with "Integrated Circuitry." ◊ Canadian folk musician provides the music for "The Godfather's" landmark Broadway production.

strong tradition of audio and video innovation was called in the communications field.

FISHER





Mehdi Bazargan (right): the price of embarrassing the leaders

IRAN

An execution in Tehran

A dawn early last week, Mehdi Bazargan, the man who talked too much, was executed by firing squad near Tehran's grim Evin prison. It was one of the few times since the 1979 revolution which overthrew Shah Mohammad Reza Pahlavi that the theocratic regime of Ayatollah Ruhollah Khomeini had executed one of its own. Bazargan was the former right-hand man and reluctant co-marriage of Khomeini's designated successor, Ayatollah Hassan Ali Montazeri. He was also the man responsible for leaking the story of the secret arms negotiations between the United States and the Iranian leadership to a Beirut weekly last November. Last week he paid the price for embarrassing the regime.

The execution heightened suspicions about a potentially destructive rivalry among the Iranian leaders. But some analysts said that Bazargan's death may have been simply a matter of political vengeance. Said Shauqat Alkhay, professor of international studies at the University of South Carolina: "The execution was an effort by the leaders to put the arms deal with the Americans behind them." According to Alkhay, the leaders wanted to avoid reconciliation and form a united front for future dealings with the United States.

Iranian edicts in Europe, however, claimed that the execution was a sign of fighting among Iran's leadership in preparation for the death of Khomeini, now 87. Former revolutionary president Abolhasan Bani-Sadr, now in Paris,

said that Bazargan's death revealed a power struggle between Montazeri and parliamentary Speaker Hashemi Rafsanjani. Said Bani-Sadr: "Rafsanjani's power is so fragile that he has to execute even minor threats like Bazargan." But that verdict may have been wishful thinking as the part of Bani-Sadr, who has lived in exile since his escape from Iran in July 1981.

Indeed, Harry Rubin, a fellow at the Foreign Policy Institute of Johns Hopkins University's School of Advanced International Studies in Washington, said that while there is some sympathy for persons among the continuing factions in Iran, they have co-operated in recent months. "Some Montazeris had some interest in Bazargan being dead," said Rubin. "All the factions wanted to get rid of him because he was divisive."

Bazargan, former head of Iran's Global Islamic Movement responsible for exporting the Islamic revolution, was arrested just before news of the secret arms negotiations broke last November. He was charged with murder, kidnapping, plotting to overthrow the government and smuggling arms. In August 1987, he was sentenced—and his execution last week seemed to deepen the mystery about who will control Iran after Khomeini. As president, Bazargan was charged with murder, kidnapping, plotting to overthrow the government and smuggling arms. In August 1987, he was sentenced—and his execution last week seemed to deepen the mystery about who will control Iran after Khomeini. As president, Bazargan was charged with murder, kidnapping, plotting to overthrow the government and smuggling arms.

—ALEXIS SCANDALOS AND CAROLE REHORE
with WILLIAM LUTHER in Washington

THE UNITED STATES

The price of deception

Now Michael Dukakis of Massachusetts was exonerated. In a single night last week he had raised \$1 million for his 1988 presidential campaign. At the same time, a Washington Post-ABC News poll showed him in second place in the field of Democratic hopefuls, trailing only front-runner Jesse Jackson. To celebrate, Dukakis blew a trumpet solo at his Boston fund-raising gala and walked with his wife, Katharine, out. But within two days the high-flying contender had been brought to earth with a thump. To a hurriedly called news conference he announced that despite earlier denials, members of his campaign staff had misled him about the source of reports of plagiarizing that had knocked his rival, Senator Joseph Biden, out of the presidential race a week earlier.

The officer, said Dukakis, was his campaign manager, John Buse and although Buse had provided videotaped evidence of his rival's plagiarism without his knowledge, Dukakis said that he took full responsibility for a "very, very serious error." The governor added that he had refused to accept Biden's resignation. But within a few hours Buse announced that he had persuaded Dukakis to let his name—along with the campaign's political director, Paul Taylor. Clearly, the loss of the two key figures was in serious blow to the Dukakis campaign as the race itself. Also in the bag, said some analysts, was Dukakis's admission that he had not known what his campaign staff members were doing. Dukakis, they pointed out, had repeatedly criticized President Ronald Reagan for claims that he did not know what his White House staff had been doing in the Iran-contra affair.

Dukakis's setback may also have damaged the Democratic party itself, already reeling under the enforced withdrawal of two candidates. Within the week, before the Senator Gary Hart had lost, because of his association with Reagan model Dennis Ross. Said Democratic pollster Geoffrey Gurnea: "These top scraps have got to stop if we are going to take back the White House." Indeed Robert Kennedy Jr., campaign manager for defeated 1984 Democratic challenger Walter Mondale, "It's like a bad dream." At week's end, Dukakis was still in the race, but limping badly.

—JENN HERRMAN with NANCY MCGONAGAL in Washington



Swirebi with military support from South Africa, claiming a major victory

ANGOLA

A remote-control war

It has become an aerial fracture in Angola's 18-year-old civil war. Every August for the past several years the Marxist government in Luanda has taken advantage of the dry season to send its troops—backed by Cuban soldiers and Soviet military advisers—outward into the rebel stronghold of the National Union for the Total Independence of Angola (UNITA). And each year the anti-Communist guerrillas have managed to survive the assault, melting into the bush and employing hit-and-run tactics against government forces until the onset of the rainy season as early as October. But this year's advance appears to be bigger in size and scope, involving at least 10,000 government troops. And in what analysts in neighboring South Africa describe as perhaps the largest modern land battle in sub-Saharan Africa, the Soviet Union and South Africa are locked in an escalating proxy war for control of international Angola.

According to Western intelligence sources, Soviet Gen. Konstantin Shaginov is directing the Angolan military offensive. Apparently angered by Luanda's failure to eliminate UNITA as a significant military and political force, Moscow dispatched Shaginov in late 1985 from Afghanistan—where he had been fighting Mujahideen guerrillas—to take charge of the war in rebel-held southeastern Angola. This year, say South Africa analysts, he seems to have put all out for a decisive victory. And although it has officially denied in-



Angolan offensive: a race against time

by the rebels. The second to capture the strategically important town of Namibia, which protects UNITA's Angolan headquarters near the Namibian border. And now government troops have managed to penetrate deeper into rebel territory than in previous years. Still, the strategists in

Moscow, Havana and Luanda may have underestimated UNITA's ability to survive a major assault—and also South Africa's determination to protect its strategic interests.

Last week UNITA leader Jonas Savimbi claimed a major victory. North of Namibia, rebels armed with Stinger anti-aircraft and tow aircraft missiles from the United States pushed advancing government forces back over the Lomba River, killing hundreds of Angolan and Cuban troops. A witness, South African photo-journalist Clive Bremerbach, said that the battleground was "filled and virtually black with bodies" as well as with the burned wreckage of three Soviet-made tanks. But Bremerbach said that he saw no sign of South African involvement.

In Washington, however, sources close to the White House confirmed the South African intervention. The sources added that the action could have far-reaching consequences for the eventual settlement of South Africa's civil war. Namibia. Frontiers will grant independence only if the estimated 20,000 Cuban troops leave Angola. Said one Washington source: "We have been making diplomatic progress on this issue, but that may stop now. Every time the Angolan government gets frightened, it makes it less likely that they will send the Cubans home."

Since the ruling Popular Liberation Movement of Angola (MPLA) sought to power in 1975 to fill the vacuum left by the withdrawal of colonialist troops, guerrillas have been waging an increasingly spirited war. Savimbi leader Savimbi has survived every effort to uproot his movement from its base in southern Angola. And with the many years of fighting, Savimbi's armed columns could be described by wily politicians as an easy target for UNITA guerrilla tactics. Said one South African defense analyst, "Shaginov may end up winning the battle, but he will lose the war."

Still, despite the conventional forces' setback at the Lomba River, some analysts say that it was only a symbolic rebel victory. And while neither side seems able to win decisively, the continued fighting—and the deepening involvement of South Africa—may make a settlement all the more difficult to attain. "This war will go on and as until South Africa will agree to get out of Namibia and withdraw all troops from Angola," said Gerald Bender, an expert on the South African border of Southern California. "Only then will the Cubans go home and the Angolans sit down to work things out themselves."

—ANDREW KILMER with
CHERYL KRAMER in Cape Town and
WILLIAM LUTHER in Washington

In Toronto 35,000 people lined the streets for his triumphant Sept. 29 homecoming parade, and in Ottawa the next day politicians lined up for his autograph. The star attraction, **Gene Johnson**, whose record 938-second 100-m dash in Rome last August made him the fastest man in the world. In the House of Commons, MPs gave the Toronto-based runner a standing ovation. Later, at a reception



Johnson: a jubilee welcome for the world's fastest man

attended by Prime Minister Brian Mulroney, Johnson, 25, said that he was "very tired" after eight weeks on the overseas track-and-field circuit. Asked whether he would consider running for political office, the Jamaican-born sprinter responded, "No—I run on the track."

Canadian players are a minority in major league baseball, but Canadian umpires are even harder to find. In fact, there is only one recorded in the history of the big leagues: **Jim McKenna**, a former Canadian Football League quarterback who has been selected to umpire the 1987 American League playoffs. The Montreal-born McKenna, 45, played with the Montreal Alouettes from 1963 to 1983. That the



Cooby: quarterback Ace

Florida-based umpire, who has officiated in the American League for 14 years. "When I started this I thought, 'Hey, I'm Canadian, we're hockey people, they aren't going to let me umpire America's national sport.'"

Actress **Glenn Close** is trading in her wholesome image for that of a sexy and dangerous temptress. Close became a box office star in the 1985 movie thriller *Jagged Edge*, but in it, as in *The World According to Garp*, *The Big Chill* and *The Natural*, she played what she describes as "a good girl." But in the new thriller *Fatal Attraction*, Close, 40, portrays a disturbed publishing executive who, after a startling one-night stand with a married man played by **Michael Douglas**, harasses him and his family. "Nobody would have thought of me in a role like this," said the Connecticut native. She added, "I wore clothes and makeup that I would never wear in real life. The time has come to do away with my earth-mother image."

Although he appears in millions of homes around the world each week, actor **Bill Cosby** makes few public appearances. But last week the star of TV's long-rated *The Cosby Show*, who in the world's highest-paid entertainers, made an exception. At the honorary chairman of UNICEF Agribusiness Joffe, a new campaign aimed at freeing 30,000 jailed South Africans who are opponents of apartheid, Cosby, 58, gave a speech in New York City. He urged Americans to contribute keys—symbolizing the unlocking of the jails—to be presented at South African government offices in New York and Washington. The entertainer said that he is determined to fight apartheid "until Pres-



Close: a scuzzing one-night stand

ident **Ronald Reagan** calls me up and says, 'Bill, I think I can do a better job.'"

Mastermind **Jason St. Amour's** decision to leave high school has paid off so far. The 18-year-old St. Amour earned nine reviews at the recent Montreal and Toronto film festivals for his portrayal of a teenager whose violent behavior results in a sentence to a correctional centre. The story unfolds in the National Film Board movie *Trains of Dreams*, to be released later this year. Now St. Amour says that he is staying in Toronto until he obtains another acting job. He added, "There's no work in Montreal. I have a train ticket back, but I'm determined not to use it."

The Winnipeg father-and-son team of **Donald** and **Dave Starbuck**, who in 1982 completed the longest-ever canoe trip, are heading again. But this time they are travelling as land, and their fragile 20-foot glass-fiber craft, the *Orion*, rides atop their rented van. They are on a book-gate-crash tour for *Paddle to the Amazon*, which tells the gripping story of their two-year, 12,000-mile water journey, starting from the Red River in Winnipeg and ending at the mouth of the Amazon in Brazil. Along the way, Starbuck, 34, and his son, now 20, survived diseases, capturing at sea and gunfire from pirates, drug dealers and revolutionaries. Said Starbuck, "We shouldn't have been able to make it. The fact that we succeeded makes me feel humble inside."

—YVONNE COX with correspondent reports



SMOOTH AS SILK.

Regulating deregulation

I won the latest in a series of major battles by big Canadian banks into the newly deregulated investment sector. The Bank of Nova Scotia announced last week that it was purchasing the Toronto-based brokerage firm McLeod Young Vireo Ltd. for an undisclosed amount estimated at up to \$600 million. But at the same time, it became clear that the bank's expansionary steps are at the centre of an angry debate that is developing between Quebec and Ottawa and Ontario. Quebec Securities Commission (QSC) president Paul Goy told Montreal's *La Presse* that Quebec will refuse to license brokerage firms in that province that are taken over by Canada's chartered banks. And as the battle lines formed on that issue, another federal-provincial dispute appeared to be developing over financial institutions. Since deregulation on June 26, the Ontario Securities Commission (OSC) has registered 33 foreign banks and brokerage firms for establishing or expanding their operations in Ontario—but only three have received Ottawa's final approval.

From the federal point of view, that authoritarian appears to hinge in part on whether competing countries, primarily the United States, will also open up their financial sectors to foreign investment in Canada. As done last week some top Bay Street executives said it appeared unlikely that Ottawa would be able to gain the same it wants through the free trade negotiations.

That, they added, may in turn influence Ottawa's willingness to approve foreign involvement in the Canadian securities industry. Said Thomas Hickin, who as minister of state for finance is in charge of Ottawa's deregulation program, "We are an open market. We are accessible across to foreign markets. I might have to remember how many companies we are going to let in."

The Quebec decision to oppose Ottawa, by refusing to license the brokerage subsidiaries of the banks, underlines a continuing tug-of-war between Ottawa, Quebec and Ontario. QSC chairman Stanley Beck said that the commission has a "number of serious problems" with the way Ottawa is proposing to regulate investment dealers and banks. And for his part, Pierre Fortin, Quebec's associate minister for finance and privatization,



Toronto Stock Exchange: a federal-provincial tug-of-war over new financial rules

said that Ottawa had put little in the way of expanding brokerage subsidiaries in a way that will ultimately harm the province's economy. Quebec government officials say that the province must develop large diversified securities firms as its financial industry is to become competitive.

As well as the McLeod deal, Quebec's decision to battle Ottawa had that issue will also have a direct impact on the sale of the Toronto-based brokerage firm Norbit Thomson Downes Inc. to the Bank of Montreal, announced on Aug. 15 in a confidential letter that the QSC sent to federal officials on Sept. 17,

the commission states that it will not license the brokerage operations of the banks unless Ottawa changes its position.

Meanwhile, Ontario government officials say that they will oppose Quebec's embargo on licensing, which could stifle the expansion of Toronto-based firms into that province. And some senior Bay Street brokerage executives say they believe that Ottawa is stalling on the issue of foreign ownership and has furnished the whole deregulation issue. Said one executive whose firm was recently purchased by a Canadian bank "Hickin has caused an unnecessary fight with

Quebec because he did not consult. He does not know what he is doing."

The federal-provincial struggle began more than a year ago, when it became clear that world financial markets were expanding rapidly. To compete internationally, Canadian brokerage firms needed new sources of cash. As a result, Ottawa agreed to allow foreign brokers and banks to buy into the Canadian industry. At the same time, Canadian banks and trust firms were given the right to immediately take a 100-per-cent ownership position in Canadian brokerage houses. Foreign banks were limited to 50 per cent in 1987 and to 100 per cent in 1988. Since last January more than a dozen mergers and buy-outs have occurred in the Canadian securities sector.

And new regulations and requirements surrounding these deals touch on both provincial and federal jurisdictions in the financial sector. Under the guidelines agreed to by Ottawa and the federal government, but not Quebec—Ottawa would have jurisdiction over the entry of foreign firms into Canada, while Ontario would retain its responsibility of regulating the operations of the brokerage firms in that province, the centre of the country's financial industry. Ontario would regulate the brokerage activities, while federal government regulations would limit the diversification of brokerage firms. Those terms outraged Quebec officials who say that the limited ownership of commercial and financial companies, which Ottawa opposes, is necessary if the province is to build a strong financial sector.

As for the foreign financial institutions already registered to operate in Ontario, Alison Kewenter, who until a quiet shuffle last week was the province's minister of financial institutions, said that there have been some "rumblings" that Ottawa is delaying final approval for the foreign firms. But he said that Ottawa has the right to demand equal treatment from the United States and other markets. One Toronto brokerage executive said that Ottawa's negotiating position with Washington is weak because the federal government has already set the rules and "quite far" to the disadvantage of the banks. "We are not going to turn the clock back now." And others said that Ottawa will not be able to overcome U.S. regulatory law contained in the 1983 Glass-Steagall Act, which prevents banks from entering the securities business in the United States. But in Canada the battle now is not over whether there should be deregulation, but how it should go into effect.

—TON FENNELL is in Toronto with MARILYN SIEGELMAN in Ottawa.

A new voice for business

He has had been debated and discussed several times over the past three years. But on Sept. 23, when the Maclean-Buzzell Ltd. (MBL) board met on the day of the company's 100th anniversary, the directors approved a bold plan to make their 80-year-old weekly business newspaper, *The Financial Post*, a daily. Then, late last week, a second key document fell into place when the board of the Toronto

affairs of affluent readers is and second Toronto in order to capitalize on the city's booming financial industry. It will go head-to-head with *The Globe* and *Mail's* well-established *Report on Business*, which dominates that market. DeLaurier, now senior vice-president for Canadian publishing James Wattleson. "What people want is a paper with an opinion that's pro-business," added Coughlin, who says that the paper will



Godfrey (left), Coughlin and Wattleson, protecting the weekly franchise

San Publishing Corp.—owned 58.6 per cent by MBL—approved the purchase of the *Post* for \$16 million. The action of the venerable *Post* with the *Financial Post* organization, whose San newspapers in Toronto, Calgary and Edmonton feature weekly editions. *Business Week*, will produce a new business daily that will appear on the streets early and year. Declared San Publishing president Douglas Coughlin:

"We're going to be the *Wall Street Journal* of Canada in a bold move." The appearance of the new publication is likely to spark an intensive fight for readers and advertisers in media-heavy Toronto. The weekly *Financial Post* will still be published in the larger, broadsheet format and mailed to subscribers across Canada. The San organization is counting on delivering the new daily to the banks and

also be easy to read. "There's a market out there that the *Globe* and *Mail* are overlooking," he declared. But, declared Godfrey Stowers, noting that the *San* will continue to publish the established weekly while it launches the new tabloid daily. "It looks as though they are not quite convinced."

Cautiously the marriage of the *Post* and the *San* organization provides several advantages. The *San* already prints the weekly *Post*, but it still has excess press capacity, and it can easily print the *Post* each evening before the *San's* premier starts at 11:00 p.m. As well, Coughlin has a track record for starting new papers—he was instrumental in launching *The Toronto Star* almost overnight after the *Toronto Telegram* folded in 1971, and he has since opened the sister *Star* in Alberta. For his part, the



Maritime competition

Post has the necessary connections and business news expertise. Publisher Neville Nickerson and editor John Gadhay are to continue in their positions, but the Post will have to add an estimated 50 to 70 people to its 125-member editorial staff.

The new paper will have a minimum size of 48 tabloid pages, and half of the editorial content will be small-print stock market tables and similar business and financial information. The cover price is still undecided, but it is likely to be either 25 or 50 cents. Coughlin said that initial circulation will be about 50,000. He added, "We can be profitable with a small circulation if it is the circulation that the advertisers want." The problem, he said, will be delivering the paper to a select, affluent readership that is scattered across Metropolitan Toronto and into dozens of suburbs. It will be evident within six to eight months after publication begins whether the venture can be successful, he said.

When the deal closes on Dec. 31, the Sun corporation will pay the purchase price of \$46 million, with shares issued from its treasury. That in turn will increase its ownership position in Sun Publishing to 57.8 per cent from 50.6 per cent. But beyond that, the Sun company is investing relatively little in the new venture. Susan Seely, a financial analyst who watches media stocks for brokers McLeod Young Weir Ltd. of Toronto, said that, although as earlier plans by MTN to produce a daily Post on its own was estimated to cost \$60 million to \$70 million, the current proposal would barely affect the Sun's corporate earnings even if it lost money for the first two years. The sale of the Financial Post division will only start to recover by as much as \$23 million, although the company's increased ownership of the Sun would partly offset that.

For the Sun, the opportunity to buy the Post became more attractive after it sold the *Illustrated Post* for a profit of \$46 million last month. One source close to the Sun explained that the sale of the troubled subsidiary allowed senior Sun managers to devote their energies to the Post venture. And, indeed, final negotiations between the Sun and MTN began in earnest less than a month ago. But Coughlin told Moden's that it was Canadian Slaveter and newspaper magnate Conrad Black, who has widely promoted the idea of a daily Canadian business paper, who proposed the idea of a Sun-owned daily business paper several months ago and laid the groundwork with MTN for the Sun's acquisition of the Post. For business readers, the fruits of that negotiation will be closely scrutinized in the months ahead.

—PATRICIA BEST with THOMAS THORSON
in Toronto



Mexican oilfield workers: increased exports and a conservative tight-money policy

Mexico's slow recovery

Many Mexicans call it "the Year of Hidalgo" after Miguel Hidalgo, a hero of the Mexican independence movement whose picture adorns the nation's currency. It happens every six years when, in the run-up to presidential elections, the ruling Institutional Revolutionary Party (PRI) tries to attract votes by spending lavishly on public works projects. But now it appears that the tradition may change in the campaign for the July, 1988, election. The Mexican economy, which was at worst bankrupt two years ago, is showing signs of a modest recovery. And many leading candidates are pledging to continue President Miguel de la Madrid's conservative tight-money policies—a position that could drastically reduce their willingness to spend money on "Hidalgo," said Carlos Salinas de Gortari, secretary of planning and the federal budget and a leading presidential hopeful. "We want to continue the structural changes begun in this administration."

Even though the reform program has improved Mexico's economy, the nation is still operating with a sus-

sive \$125-billion foreign debt. But the price of Mexican oil has rebounded to \$55 per barrel from \$22 in 1985, and the government's willingness to allow Mexico's currency, the peso, to continue a free fall that began in 1985, has made the country's manufactured exports more competitive. As well, \$10 billion in new international loans has increased the government's critical cash reserves to \$20 billion from \$7 billion in 1985. At the same time, Mexico's decision last year to allow the private sector to exchange debt for foreign ownership has generated a new source of development capital. Just Cobalins, president of a Mexico City financial executive's group, said that the turnaround has been slow, but it has been enough to increase confidence in Mexico's future. "I do not think we are going to rebound in less than six months," he said. "But at least we are not so pessimistic."

That new confidence is reflected in the soaring Mexican stock exchange and by some of the nation's wealthiest citizens who are once again investing heavily in their own country. Indeed,



De la Madrid's hopeful

RENEWING YOUR MORTGAGE ?



Personalized payments available.

Join the thousands who've switched to us for just \$85.

At renewal time, you can switch to the Royal Bank for just \$85. For this all inclusive Royal Bank switching fee, you get all kinds of advantages. One sure personalized perk: terms give you the option of paying weekly, every two weeks, once a month, or monthly. Like our flexible pre-payments, this lets you pay down your mortgage sooner and could save you thousands of dollars. In addition, you get the lowest cost group life insurance

available. Plus our Mortgage Rate Protection Plan option. Get full details at any Royal Bank branch.

*This is not a recommendation. The actual interest rate and other details may vary by location. See your mortgage rep. only in 1987.



ROYAL BANK

Approved Official Bank of the 1984 Olympic Winter Games

billions of dollars have returned to Mexico in the past two years and are now being poured into the exchange. Since January the average share price of the 40 leading companies on the Mexican exchange shot up more than 600 per cent—outperforming even the New York and Tokyo stock exchanges. Said Timothy Heyman, a director with the Mexico City-based investment firm Estrategia Bursatil: "People now realize that they can earn more money investing in Mexico than they can outside of the country. The level of capital registration is somewhere between

\$25 billion and \$4 billion per year over the past two years."

Share prices on the exchange are widely expected to climb even higher. In August, 1982, the average book value of companies listed on the exchange was at an all-time low. The value of all listed stock in a company often amounted to only about 20 per cent of the firm's asset value. As a result, investors could buy into Mexican companies at a discounted rate, and they are now making large returns on their investments. But as the firms were allowed to sell off debt,

and in some cases expand, their value began to pick up. And in other cases share prices are still below the real value of listed firms. Heyman also said that companies that do business primarily in the United States are now being valued on the same basis by financial analysts as their U.S. counterparts, and that fact could push share prices even higher.

Underpinning the recovery is what many experts say is a fragile truce between government and business and the apparent confidence on the part of many businessmen that the PRI has made a fundamental shift away from government intervention in the economy to a more hands-off policy. Many business leaders say that they have been suspicious of the government's intentions since the mid-1970s, when then-president Luis Echeverria Alvarez expropriated vast tracts of land and turned it over to landless peasants. And their concern was reinforced in 1982 when Echeverria's successor, Jose Lopez Portillo, nationalized the banks. Historians and businessmen Enrique Krauze described the bank takeovers as the "breaking point." Many businessmen, he said, then concluded that the government would begin seizing private property indiscriminately.

But the government signalled a change in attitude in 1985 when oil prices tumbled to \$12 a barrel from \$38. Instead of responding with more intervention in the economy, the government placed strict constraints on the money supply, continued to allow the peso to float—and fall—in international money markets and slashed tariffs to increase competition. As first some Mexican firms flinched, but many of them have since become more internationally competitive. Said a senior executive with Nacobra, a large producer of copper wire and pipes: "We have a very free government at this time."

Still, Mexico's economy is far short of a full recovery. The Grant National Product is expected to grow by 1.5 per cent this year, leaving its average annual growth over the past five years at less than one per cent. The economy would have to produce \$60,000 new jobs a year to cut into Mexico's 16-per-cent unemployment rate, but it is now expanding at only half that amount. But de la Madrid declared, "Confidence in Mexico's situation has grown in both Mexico and international financial circles." The challenge that will face Mexico's new leaders is to design a fiscal policy that will maintain that emerging confidence.

—TIM FENNEL and CHRIS BURGESS in Mexico City

Some Canadians don't have the stomach for high-risk investments.



Neither do we.

High-risk investing demands nerves of steel.

One moment you're inching towards the summit of great riches. The next moment your eyes are closed and your heart is in your mouth.

We prefer the middle road. The investors approach may lack the thrills and chills, but the results are just as exciting.

First we start with a complete analysis of your present needs and resources. Then together we establish specific financial goals. Finally we custom-tailor an investment strategy that strikes a balance between guaranteed earnings and capital growth.

This is not to say that the road you take will

be flat, monotonous and unrewarding.

Over forty-five years of experience gives us an edge in spotting financial opportunities for our clients. Which is why for several years running, Investors has managed funds that have climbed to the top ranks of investment funds in Canada.

Even on the middle road to financial peace of mind, we occasionally fly.

IG Investors Group
PROFIT FROM OUR EXPERIENCE

Investors Group Inc., 200 Broadview Way, Winnipeg, Manitoba R3C 3S6

The velvet touch.



Black Velvet. A distinguished eye in the best Canadian tradition.

It is not surprising that National Trust views Unisys as an integral part of its management team. As John Wright explains it, the goals of client and customer are perfectly compatible.

"National Trust sees their role, as the third largest trust company in the country, as providing low-cost, high quality financial services. We see our role as providing

them with better cost-performance and better customer service."

With 150 National Trust offices in urban and rural centres across Canada, creating a customer information file was a major assignment, demanding the most sophisticated computer technology.

Together with the kind of teamwork that brings results, the two companies assembled a comprehensive data bank that has significantly

enhanced their marketing capabilities of National Trust.

Recently, Wright was introduced at a National Trust conference as "our man at Unisys."

He grins at the recollection. "People buy from people, and they will buy from and want to work with someone they know they can trust. They have my personal commitment, and they have a total company commitment. That's been proven time and again."

**"They think of me
as their employee,
their 'man at Unisys'.
That's got to be
the highest
compliment."**

*John Wright, Account Executive,
Unisys Canada Inc.*

UNISYS
The power of[®]

BUSINESS WATCH

A maverick in the big bankers

By Peter C. Newman

The chairman of Canada's banks tend to be conspicuous in the public domain. Not every once in a while they leave little doubt about where they stand. When I recently asked Richard Thomson, the head of the Toronto-Dominion Bank, about the federal New Democratic Party's pledge to nationalize one of the Big Five banks, he chose not to prevaricate. "Well I feel it isn't," he replied. "Governments can't. I mean they can't even run the post office let alone a bank."

Thomson has a lot to be protective about. The TD is the only one of the six largest banks due to report a profit for the current fiscal year and enjoys the strongest equity-to-debt ratio of any major Canadian bank. It alone has survived with its balance sheets in the black after the \$2.4-billion bank that all the banks took in the third quarter to establish reserves against loans to land-developed countries that have turned sour.

The TD itself, still owed about \$1.6 billion in Third World debts, set up a \$475-million reserve to cushion the blow—but its third-quarter earnings for common shares before that write-down were up an amazing 11 per cent. Another \$100 million is owed by Dime Petroleum to the TD, and bank officials have maintained that the current Amoco takeover offer is inadequate. "We haven't forgiven the interest or the principal on any of these loans," Thomson points out, "we've just made a reserve in our books against the possibility of nonpayment. It's not in any way different from the way we treat any other borrower." (That may be true, but you can't really repay a Brazil.)

To further reduce the risks, Thomson has already sold Third World loans owing the TD totalling \$411 million to a secondary market for such dubious securities. That brought in about 66 cents on the dollar. "There is no question that many of these countries can afford to pay back both the principal and the interest," Thomson explains. "In terms of Brazil, for example, their materialism appears to be at least partially a political decision."

Under Thomson the TD has taken a very different direction from the Bank of Montreal, the Commerce, the Bank

of Nova Scotia or the Royal, which have gone into, or are about to form, partnerships with existing investment dealers. As well as starting its own discount brokerage house, the TD recently launched an underwriting service by participating in a \$174-million raise for Allied-Lyons. It was the first time since the 1930s that any North American bank has moved into the equity market. And according to Thomson, it won't stop there. "We're already



considering the great financial conglomerates, like Brossard and Power Corp., for mixing the ownership of commercial and financial institutions because of the synergies that their financial arms will foster the sectors rather than the community at large. At the same time, he favors Ottawa's free trade initiative even though it has already meant an influx of a surplus of lenders into the Toronto marketplace. Of course, the issue of free trade with the Americans has been the focus of heated debate several times in Canada over the past century. And the arguments that raged as the current negotiations moved toward their conclusion are no exception. The main problem with the announcements of free trade presented to date is that they all have been based on hypothetical assumptions about the exact terms of any agreement. Thus, the conclusions reached by different studies—pro and con—have often been wildly contradictory.

Nevertheless, Thomson believes that the huge potential gains, which can only be realized through secure access to a large market, will more than offset the costs that his own or any other Canadian business sector might have to bear.

"We're a small country and can't do everything on our own," he insists. "Nevertheless, if taken to the extreme, one exact a terrible price, and Canadians will not stand to be economically deprived in order that a few people in Central Canada get to drink their desserts. We can be independent and different from the rest of North America—but we can't just walk away from that huge market north of us."

And if Erik Thomson has his way—we will not be walking into the future in the footsteps of an old government.

He is less enthusiastic about Michael Wilson's tax reform proposals. "It's a typical political problem. Nobody wants to do the hard stuff. We really need to tackle the deficit and educate the people that some tough measures are necessary once in a while."

Thomson's favorite hobbyhorse is rewording the great financial conglomerates, like Brossard and Power Corp., for mixing the ownership of commercial and financial institutions because of the synergies that their financial arms will foster the sectors rather than the community at large. At the same time, he favors Ottawa's free trade initiative even though it has already meant an influx of a surplus of lenders into the Toronto marketplace.

Of course, the issue of free trade with the Americans has been the focus of heated debate several times in Canada over the past century. And the arguments that raged as the current negotiations moved toward their conclusion are no exception. The main problem with the announcements of free trade presented to date is that they all have been based on hypothetical assumptions about the exact terms of any agreement. Thus, the conclusions reached by different studies—pro and con—have often been wildly contradictory.

Nevertheless, Thomson believes that the huge potential gains, which can only be realized through secure access to a large market, will more than offset the costs that his own or any other Canadian business sector might have to bear.

"We're a small country and can't do everything on our own," he insists. "Nevertheless, if taken to the extreme, one exact a terrible price, and Canadians will not stand to be economically deprived in order that a few people in Central Canada get to drink their desserts. We can be independent and different from the rest of North America—but we can't just walk away from that huge market north of us."

And if Erik Thomson has his way—we will not be walking into the future in the footsteps of an old government.



Thomson: alone in showing a profit

CAESARS OF THE WILDERNESS

By Peter C. Newman

Canadians have traditionally prided themselves on having stayed so serene or major revolutions, setting themselves apart from the extremes of most other countries as always having lived in a "peaceable kingdom." Specifically, they have adopted the notion that Canada's inland frontiers were settled in a series of orderly provisions of fur traders, missionaries and farmers, with none of the violent episodes of the American Wild West. But in his new book, *Caesars of the Wilderness*, being published this month, Maclean's Senior Contributing Editor Peter C. Newman disputes that image. In the following exclusive excerpt, he documents the bloody vendettas that set the fur country ablaze between 1783 and 1861. It was a fight to the finish between the traders employed by the London-based, royally chartered Hudson's Bay Company and the self-employed upstarts of Montreal's North West Company.

From *Caesars of the Wilderness* by Peter C. Newman. Copyright © 1987 Macmillan Ltd. 1987. Reprinted by permission of Penguin Books Canada Ltd.

co-mingled 42 buildings massed in a rectangle paralleling the sailing docks, its Great Hall, where the senior partners lived, as, in its council and observed their large and smaller triangle, was spacious enough to seat 200 at a formal dinner.

In the charged atmosphere of multiplying confrontations over the fur harvest of the great Northwest, the two companies fought one another with hardening determination and the brutal reminder of a civil war. There was no commercial head or tail to it, yet it was somehow typically Canadian that this struggle was not, as in the American West, concerned with rugged assertions of individual liberty against land-hungry cattle in their quest and the banner under which they set across and black-skinned railway promoters—or even a brave and to conquer a continent. But between 1783 and 1861 each far collective independence—but was rather an internal challenge the power and majesty—the very existence—of the separate quest for markets and furs, but it quickly turned Hudson's Bay Company (HBC) and fought the Royal Adventurer into a quiet far power and territory. The competition for better sets grew so intense that the northern reaches of America's

The North West Company (NWC) was the first North American westward because a battleground. Both sides settled their accounts on business to operate on a continental scale. Its vast fur-trading blood. Traders rode the riverbanks. Loaded canoes were networks was administered with greater efficiency and hierarchy to reclaim stolen canoes. Murder and ambush, arson and still budgets than the provinces of Lower and Upper Canada, left, Mississippi and destruction of property because so common. The NWC's wilderness headquarters, first at Grand Portage and then at the site of maintaining a competitive was regarded as a later at Fort Kamistiquia (renamed Fort Wilson in honor of addition of doing business.

William McIlwain, the company's second chief executive. In one season, European missionaries captured the NWC's could accommodate nearly 2,000 people at the height of their fur wilderness stronghold at Fort Wilson. Both sides trading season, its 35-foot palisade of pointed timbers encircled their prisoners, and on the rustic outskirts of the 18th's Canada's first inland metropolis. Fort Wilson's 136 acres sat on River Colony, now Winnipeg, 20 settlers and the resident

governor were shot and their bodies mutilated by retainers of the North West Company. Worst of all, by concentrating so massive quantities of furs in an unbreachable here in the frontier contest for the Indian trappers' bounty, the traders of both companies debauched a civilization, leaving in their wake a despoiled people and nearly destroying a once-proud culture.

Only after the spiral of violence had exhausted itself by the 1821 disappearance of the two companies' 171 posts under the name and dominance of the HBC did it become clear how close the hostilities between the two firms had come to escalating into all-out war. When the NWC eventually turned in its weapons, the inventory of the Columbia department alone revealed that its Pacific Coast traders had been armed not only with the usual array of rifles and other small arms but with 22 cannons ranging from 38-pounders to half-pound swivel guns.

During the four decades that the feud lasted, each of the two competitors threw increasingly large orders of men into the battle. The logistics of fur and goods purchasing and the need to co-ordinate a precariously overextended transcontinental network led to the development of a remarkably sophisticated trading system. The impact of those transcontinental routes was pervasive enough to mark the maps that helped shape Western Canada from being absorbed into the United States. The land had already been claimed through right of exploration by the NWC's Western and later by the Hudson's Bay Company. It was a pony scattering of they outposts that held the line, but it was enough. And there was little doubt, as the Canadian fur-trade historian Harold Innis once put it, that "the North West



Company was the "Benevolent" of Canadian Confederation. The brigades of canoes, loaded to the gunwales with kegs of liquor and packs of trade goods, pushed up from the St. Lawrence along the Ottawa and Mattawa rivers, over the height of land and across Lake Nipissing, down the French River to Georgian Bay, through the company's primitive wooden lock at Island St. Marie and into Lake Superior. At their northwestern terminus in Superior, the trade goods were transhipped into the smaller canoes du nord (northern canoes), then pushed and portaged up through Bangy Lake, Lake of the Woods and the Winnipeg River into Lake Winnipeg for dispersal along the South and North Saskatchewan rivers and up the Red. The canoes also headed northwest up the Churchill River toward the dreaded Mithy Portage that linked the river systems with outlets in the Arctic and Pacific watersheds.

Bringing the furs back to Montreal—the gathering point for their ultimate destination at London's auction market—meant backtracking over the same route. By the time the Nor'Westers were fully exploiting the prime fur-bearing grounds of the Athabasca Country, the supply line was more than 2,000 miles long. These horrendous distances, as well as a climate that reduced the period of navigation on rivers to less than half the year, created the company's greatest dilemma. Up to 20 months might elapse between the purchase of trade goods and the sale of the furs for which they had been bartered.

With no two doubts in his mind, the Nor'Westers concluded 100 per cent of Canadian fur sales and could naturally claim that the Hudson's Bay Company was doing business "as if it were driven by a devil here." They relied the West. Despite perennially overextended supply lines, during the first decade and a half of the 19th century the Nor'West

partners earned gross profits estimated at \$2,180,000, the equivalent of about \$70 million in modern Canadian currency. That meant their original investments of \$200 returned \$10,000.

In the process of pursuing the fur trade and taking advantage of the buoyant London market for beaver skin, the Nor'Westers not only grew rich, they also became powerful, forming the fledgling colony's first indigenous commercial Establishment. Unlike the Bay men who went back across the Atlantic at the expiration of their contracts, most Nor'Westers settled down and stayed on. Many of the new partners built elegant houses at the foot of Montreal's Mount Royal, conspicuous ones meant both to display their newly won riches and to proclaim their intention of establishing family dynasties. Their profits helped build the Bank of Montreal into what was briefly North America's largest financial institution.

The fur barons tried hard to emulate their role models, the clan chiefs of Scotland, by building themselves huge overdone mansions and carefully keeping score of one another's ostentatious. Joseph Frohisher, a Welshman who passed on Lewiston Road, erected an impressive rock pile called Beaver Hall, whose sweeping driveway lined with Lombardy poplars welcomed every dignitary visiting Montreal. William McMillan moved into Chateau St-Anne, and many of the lesser

partners purchased mansions along the St. Lawrence. There was a golden autumn quality about their golden lives, with once their most delightful diversions provided by a subtle end-of-season mood.

The fur trade was a demanding but highly seasonal occupation. While the rivers were frozen the Montreal-based rendezvous centers devoted their energies to stocking one another in lavishly colored sleigh rides, and tournaments, private

lympho Hudson's Bay Company (hbc) debt, but because being a free trader they say that he never got a debt up against the company's enterprise and always kept his fur trading cash-pressed as tough a way to amass a tin stacked with emergency provisions. Living as there was—especially for a son of a woman for many transfers. As one of his grandsons, if somewhat unwilling to one story, when a trapper's natural nature.

During the last half of the 19th century, to carry out Twelfth-century Davis was on the trading ship's last wish that his remains be laid, trying with little success to bucked to a shipyard near Peace River the HBC more he grew to despise the Crossing. Cornwall created a simple company, not for any particular un-gratitude there in the shape of a peo-

sonal rebirth and masked bells. One former partner about his favorite horse with silver and galloped through the city's poorer districts, scattering showers of coins. He also loved riding into particularly fancy restaurants and ordering the usual a full-course meal. It was a comfortable, if self-indulgent, existence, but the veterans who can never tolerate their time in the trenches the called Nor'Westers yearned to recapture the wild freedom and excitement of the frontier.

There the Nor'Westers could abandon artificial dignities and re-create these heady times that had given meaning to their lives. Because it was only among their own that such rituals were lifted above its more mundane level of providing an excuse to get drunk and break furniture, membership in the Beaver Club was limited to 50 fur traders who had spent at least one full season in 10 years of the coast. The club rules were simple but rigidly followed. On admission

each new member had a gold medal struck, engraved with his name, initial wearing date and the club motto: "Fortale in Distress." These badges were worn at festively evening meetings, and there was a nominal cash penalty for leaving one's medal at home.

The reports were crowded at prestigious local dining rooms such as Robt and Dillon's Montreal Hotel at Place d'Armes or the Mansion House at 138 St. Paul Street, where meals were served on the club's own created crystal and china with matching silver cutlery. The menu consisted of such country delicacies as wedges of peameal, venison steaks, roasted beaver tails and poached buffalo tongues. Five toasts were proposed: the Mother of All Saints; the King the Fur Trade in All Its Branches; the Governors, Wives and Children, and Absent Members. Any reveler who deviated in the order of these toasts was fined as bottles of Madeira. Each round was crowned by the dunking of glasses into the fireplace. After that a peace pipe was passed around and the solemn reminiscing and drinking began.

Usually no one was sober enough to keep minutes of the proceedings, but George T. Loane, a visiting British officer, left this description of a typical meeting in his *Adventures and Recollections*: "In these days we dined at four o'clock and after taking a satisfactory quantity of wine, the married men retired, leaving about a dozen to drink to their health. We now began in right earnest and true Highland style, and by four o'clock in the morning the whole of us had served at such a state of perfection that we could all give the war whoop as well as Mackenzie and McMillan, we could all sing admirably, we could all drink the toasts and we all thought we could dance on the table without disturbing a single decanter, glass or plate. But on retiring the captain was discovered that it was a complete delusion and ultimately, we broke all the plates, glasses, bottles etc. and the table also, and worse than that all the heads and hands of the party received many severe contusions,



Indian selling daughter in beaver (for 5000): evidence of a flourishing trade in beaver skins.

Something, anything, to make the adrenalin pump again. These were feast their outlet after February 15th, with the opening of the Beaver Club, that international dining place where that because for its time the most exclusive fraternity on the continent. Nothing like it could have been created by the people themselves (in charge of the Hudson's Bay Company). Despite its astronomical liquor consumption, the Beaver Club was much more than an urban watering-hole.

TWELVE-FOOT DAVIS'S REVENGE

His real name was Henry Butler Davis, and he was a Yankee from Vermont who headed northwest to the Cariboo during the gold rush of the late 1850s to try his luck. He could not read nor write—but he could sell. One rainy night he realized that a 15-foot strip of land between two of the most productive claims on Williams Creek had not been properly

staked. So he grabbed that tiny wedge of ground, which quickly yielded gold worth \$15,000 and made him known far and wide as Twelve-Foot Davis.

The business soon educated itself, unlike most of the other fortune hunters. Twelve-Foot Davis stayed on. He spent the rest of his life swapping goods for furs with local Indians, competing for a fading trade with the

other stamp, leaving his late partner's epitaph: HE WAS TWELVE FEET FURIOUS AND NEVER LOCKED HIS CARTRIDGE.

The grave is there still, but according to local law (reaffirmed by Cornwall, before he even died) the real reason Davis had wedged to be buried in that unlikely spot high above the little settlement—directly overlooking the local HBC trading post—was not quite as romantic as the natural beauty of the site might indicate. "For my own best painting downhill," had been Twelve-Foot's final instructions to the sexton, "so I can pass on the Hudson's Bay Company."

oids and seraphs. I was afterwards informed that 120 bottles of wine had been consumed at our convivial meeting."

A highlight of the Beaver Club gatherings was the re-staging of a grand voyage (the big voyage). Using that narrow window of opportunity before being opportunely drunk and actually passing out, the New Westens would stumble around until they were seated on the floor, arranged two abreast, pretending they were steering a fast-moving vessel *de nord*. Orating fire logs, poles, walking sticks, candles and other likely-looking implements as imaginary paddles, they bawled voyage songs as they stroked over bottles, their eyes glazed, their faces beet-red with exertion. But even make-believe northern canoes must eventually encounter rapids—and that required a change of tactic.

With the false shore-lands of the very drunk, the New Westens could consider the possibilities, then slumber up on the dinner tables and pretend to ride the rapids by "shooting" to the north, striding empty wine casks, depicting a variation on Indian war whoops that varied on heightened bottle cries. By that time it might have been four or five in the morning, and the retired drinking men surrounded the fire hospital of a vanquished army. The few members still upright would adjourn the meeting and stagger home.

Away from Montreal, the town's westerners scattered across the Indian Country led, isolated but exuberant like almost entirely cut off from the outside world, they created a universe of their own that often isolated country brides and families. Unlike the 1910, the North West Company played as restrictions on their traders' taking Indian wives until 1866. Those relationships, which were formed in every level of the union, were based on more than social gratification and became vital to the fur trade. The women acted as interpreters, messengers, and through their kinship links, vital contacts into Indian society. Women dressed the ladies, rode the messengers and squawches, pounded the pemmican, netted the snowshoes and acted as porters when no animal power was available.

There is evidence that an active trade in female slaves was sponsored by some of the NWCO westerners. When Archibald McLeod, who later became a senior member of the Beaver Club, was stationed at Fort Alexandria on the upper Athabasca, he acted in his diary "I gave the Chief de Canton's widow to the amount of 25 pipes, and took the Chief's woman, whom I will sell for a good price to one of the men." James McKinnon, who participated in the Northwest Fur trade for 27 years, described in his journal entry of April 9, 1860, how perplexed some of the business transactions could become: "His Indian brought his daughter, who deserted in the course of the winter from Moose, at New Lake, in order to be retained in her husband. His Partner wrote me, by Mr. McLeod's orders, to sell her to the highest bidder and credit. She is for the amount 25 advantages can be gained from

this affair. The first is that it will assist to discharge the debts of a man unable to do it by any other means, for he is neither good addition, foreman, steward, interpreter or carpenter. The second is that it may be the means to making some tedious wine in part with some of his kind. I have kept the woman to be disposed of in the season when the Peace River looks out for women, in the month of May."

There were examples of women and girls as young as nine or 10 being traded for horses or bags of furs, but such transactions were a perversion of Indian custom. More common was the taking of "country wives" in temporary marriages that customarily lasted the length of a New Westens' posting—although many such liaisons endured the stretch of their partners' lives. If the traders' diaries are to be believed, some of these unions were entered into by the men with considerable initial reluctance.

Alexander Henry the Younger, who travelled the Northwest accompanied by a tame dancing bear, left behind a 1,000-page journal describing his encounters with the Plains Indians. Occasionally he would come across some exceptional women such as this one that he recorded in his diary: "The Indians appear to be definite or ignorant of all shame or modesty. In their visits to our establishments, women are articles of temporary barter with our men. For a few minutes of social tobacco, an Indian will barter the person of his wife or daughter with us much child-blood—children as he would bargain for a horse. He has no regard in such an affair, through the Blackfoot,

Black or Plains is now nearly as bad—in fact, all these tribes are a mixture when they come to the forest with their women. They intrude upon every room and ebb in the place and even though a trader may have a family of his own, they insist upon doing them the courtesy of accepting the company of at least one woman for the night. It is sometimes with the greatest difficulty that we can get the fort clear of them in the evening and shut the gates.

On June 24th, Henry, 1861, "His daughter took possession of my room," he explained, "and the day himself could not have got her out." After a month of staring he accepted the young woman as his companion. Four years later, while he was away from his post at Fort Pembina, Henry's m-laws were assailed by a sudden party of Sioux. When he later rode out to survey the remains of his wife's camp beyond the fort's gates, Henry found only his father-in-law's tent, the skull having been carried off by the natives at a water dish "I gathered up the remaining bones of my beloved one in a handkerchief," he lamented, "then I gave a party of 300 Assinibois Soldiers and Cree a one-gallon jar of gunpowder and 100 musket balls 'Go,' encouraged them. 'Revenge the death of my beloved and her people!'

The NWCO traders left behind a legacy of alcoholism, syphilis and mixed-blood babies—the sons of many North Country



Weapons for native: perseverance and cold-blooded bargaining

THIS IS THE YEAR THESE ARE THE CARS

THIS IS THE YEAR THESE ARE THE CARS



rear window with 8 optional

THIS IS THE 1988 MAZDA RX-7 CONVERTIBLE



Designed for sports car lovers who want luxury without compromising performance, the 1988 RX-7 is engineered for flawless response and driver comfort. Subtle improvements, such as the new three spoke steering wheel, contribute to RX-7's luxurious, functional interior. From its fuel injected rotary engine to its exclusive Dynamic Tracking Suspension system, every feature contributes to its outstanding performance and feeling of driver confidence.

A classic is born: the 1988 RX-7 convertible. Designed and engineered as a convertible, not merely a sports car with the top removed. For example, the exclusive "wind-blocker" panel ends the annoyance of open air wind turbulence and

allows passengers to listen to music or talk normally even at highway speeds. The unique roof assembly always removes all one solid, center panel: you can drive with the top fully open, half opened, or fully closed. Completed by all of RX-7's proven performance and comfort features, the new convertible is destined to become a true sports car classic.

THIS IS THE MAZDA WAY

Total customer satisfaction is the goal of The Mazda Way. A commitment to the quality of your driving experience. Where every component in every vehicle, every aspect of our operations is reviewed and renewed with this thought in mind: For 1988 Mazda Canada offers a complete line

of vehicles. Each unique, each designed for your satisfaction, each built The Mazda Way.

THE BEST WARRANTY IN THE BUSINESS

A part of our commitment to the Mazda Way is the Mazda Leadership Warranty. A new bumper-to-bumper warranty for 3 years or 80,000 km and all major components for 5 years or 100,000 km. It's transferable, has no deductible and comes at no extra cost. See your Mazda dealer for details. The Mazda Leadership Warranty—the best warranty in the business.

The Mazda Way

mazda





trappers being absorbed into the fur trade—while some of the daughters were sent to the East for convent education.

Throughout its glory days the North West Company sought in vain what the HBC took for granted: direct access into the continent's midwest and a monopoly sanctioned by royal decree over the trading area within its jurisdiction. Because the Hudson Bay route reduced the cost of transportation by more than 1,000 canoe-miles, the geographical advantages clearly lay with the HBC. Never able to establish themselves on Hudson Bay, the Nor'Westers stepped over the edge of the horizon and explored virgin lands beyond the known world. The NW's profitability depended on constantly moving westward and outward to tap newer and richer animal preserves. That, in turn, meant maintaining an ever-lengthening transportation system with large and multiphase overhead expenditures. Unlike the more sedentary fur men, the Nor'Westers were constantly in motion. As the beaver colonies in relatively accessible areas were trapped out, the canoes moved ever further afield—and the longer the network, the less viable it became.

To outsiders observing the pulse and the adrenaline, the shift and the flux of the Nor'Westers, the impression was one of omnipresence; the reality was much closer to frailty. The qualities that made the NW great increasingly drove it to the wall.

What finally decided the outcome of the battle between the NW and HBC was that the once-steady NW transformed itself into a mirror image of the enterprise it was trying to defeat. The HBC lost more battles but won the war, partly because it eventually recruited the quality Highlanders previously sought out only by the North West Company and because it adopted the Montevideo's field tactics. With the escalation of hostilities, the governors expanded their island holdings and insured against with a momentary loss had been the exclusive trait of their opponents. They also established an aggressive policy to drive their rivals out of competing fur areas by setting their barter exchange rates with the Indians

at levels ruinous to the Nor'Westers. As the long fight wore on, the once-vaunted royal charter company merged in the guise of a band of many adventurers determined to surpass the derring-do of the Montevideo.

Conversely, the Montevideo were ultimately defeated because the metamorphosis did not, could not, work both ways. Their British rivals could adopt the Nor'Westers' methods and ethos simply by altering their strategy and personnel, never losing the mounting advantages of access to long-term credit from the Bank of England, a supportive network of highly placed politicians willing to respect the monopoly bestowed by an antique charter—and, above all, a management succession whose members, aware in alternative seasons of income, could afford to skip dividends and, if necessary, help tide the company over with personal loans. These were provisions more easily evaded than repaid. Even at the height of the power, when the North West Company's domain extended from Labrador to the Arctic, over to the Pacific and back again, it lacked secure long-term financing and enjoyed no significant claims to British money at a time when most investment funds originated from London. By 1821 the North West Company was bankrupt; its men and operations were

absorbed by the HBC.

The North West Company's defiant alliance of rogues and Highlanders whose identity had established Canada's first indigenous national enterprise vanished almost overnight. Instead of quivering dynasties, the NW warriors left their heirs deep in debt, and their castles turned out to be only monuments to their self-indignance. They had set down the matrix of a country and had been its uncrowned rulers, but were brought down by oversteering their rock. The feudal state of Fort William, glimpsed the popular American author and historian Washington Irving, "in its end, its council chamber as silent and desolate, its leagues had no longer echoes to the wild-wind dirge; the lords of the lake and the forests are all passed away."



NWC coat of arms: illustration



Crushed cars in a Pasadena sales lot (shown); firefighters after the shock: predictions of disaster within 50 years

ENVIRONMENT

Living with the threat of a quake

Dishes rattled, books tumbled off their shelves, and dogs and cats leaped for cover as the strongest earthquake to hit California since 1971 struck the Los Angeles area in Thursday, Oct. 1, at 7:42 a.m. The impact knocked out power lines, toppled buildings and left at least one on-call TV newscaster to take refuge under his desk. Elton White, a writer from Pasadena, Calif., about 30 km east of Los Angeles, said that although her cat, Mildred, wasn't under a bed, "it was so tremored, so scared, I stayed in the least secure room in the house, the sun porch." The casualty toll at least six dead, more than 100 injured, and hundreds of homes and shops damaged.

But at 6:15 on the Richter scale—severe enough to rattle windows, but not strong enough to destroy most buildings—it was not the monster quake that seismologists have predicted for California. And, indeed, the initial panic soon abated. Traders who had fled the floor of the Los Angeles-based First City Bank Exchange when the quake struck returned a few minutes later. By 10 a.m., most residents had calmly resumed their normal ac-

tivities. And by 6:30 p.m. they were chomping at a series of earthquake jokes delivered in rapid succession by TV host Johnny Carson on the occasion of *The Tonight Show's* 25th anniversary. Thinking those who had sent tributes to his career, Carson added "I especially want to thank the state of California for the special salute this morning."

Still, the events of the day raised the issue of how Californians would cope with a larger quake. Their state is especially prone to earthquakes because of commercial faults in the San Andreas Fault, a 1,000-km crack in the earth's crust that stretches from southeast of Los Angeles, northeast to northwest of San Francisco. Scientists monitoring

those movements say that there is a 50-percent chance that an earthquake registering eight or more on the Richter scale will strike within the next 30 to 50 years. The 1906 earthquake that demolished San Francisco measured 8.4 on the scale—and federal officials have estimated that such a quake in the Los Angeles area could kill up to 14,000 people, seriously injure more than 30,000 and cause \$25 billion in damage.

As a result, California has strict regulations governing the shockproofing of new buildings, and residents are reinforcing older ones, maintaining state-of-the-art emergency services—and indulging their special brand of humor. A Pasadena horseracing salon that had to shut down after it sustained damage displayed a sign "Due to shaky circumstances, we will be closed for the day." And a costume shop hung out a life-sized Raggedy Ann doll with a sign around its neck that read, "I survived Shocktober 1." It was a sentiment that reflected the unrepentant spirit of the so-called "beautiful people" who live on the edge of potential disaster.



—MARY McIVER with AP/WIDEWORLD in Los Angeles



McElreath (center) setbacks after a record-setting \$6.5-million award for injuries

JUSTICE

Judgment of liability

Ten years ago on a sunny August afternoon an abandoned go-kart got in Thompson, Ont., 66 km northwest of Toronto, school to the white of engines as a down teenager roared about on trial bikes. Suddenly, at a blind curve on one of the pits dirt roads, one of the bikes collided. Michael McElreath, who was 14 at the time, survived some brain injuries in that accident, and he is now in quadruple with the mental capacity of a six-month-old infant. In 1986 a suit filed on his behalf was the biggest personal-injury damage award—\$6.5 million—in Canadian legal history. But that week, in a stunning reversal, the Ontario Court of Appeal completely exonerated the city and set the stage for a further legal battle in the Supreme Court of Canada.

The drama first attracted public attention when, shortly after the accident, the McElreath family sued the City of Thompson for negligence on the grounds that it had failed to post warning signs in a gravel pit that it had designated for eventual use as a park site. In March, 1985, Mr. Justice John Fitzpatrick of the Ontario Supreme Court decided against the city and ordered compensation for the McElreaths. And in the months that followed his ruling, insurance industry officials

cited the Thompson case as a prime instance of settlements that were causing a dramatic rise in the cost of liability insurance. As a result of those steep hikes, clients as diverse as health clubs, racing hares, school boards, municipalities and hospitals commonly found themselves facing premiums (increases of around 40 per cent).

But on Sept. 26, five Ontario Court of Appeal judges ruled unanimously that Fitzpatrick had erred in concluding that the curve on the gravel pit road had "constituted an unusual danger." That curve, they said, had been there for a long time and "hadn't travelled with due care and attention—and at an appropriate speed—you not dangerous." As well, the judgment noted that the trial judge had placed undue emphasis on the youthfulness of McElreath and the other bike driver, a 13-year-old boy who suffered less serious injuries. Declared the judgment, "When a child engages in what may be classified as an 'adulthood activity,' he or she will not be accorded special treatment and no allowance will be made for his or her immaturity."

Because the City of Thompson appealed Fitzpatrick's findings, the McElreath family soon received an award of money—and since the youth's release

from hospital in 1986, he has been cared for at home by his mother, Maureen, with occasional government assistance. Still, Paul Jones, one of the three lawyers who handled the case for the family, "This woman has climbed the mountains and taken on the job herself. If it were not for her, he never could have been looked after at home."

Meanwhile, insurance company representatives said that last week's Appeal Court decision alone was unlikely to lead to lower liability insurance premiums. Catherine McElreath, a spokeswoman for the Insurance Bureau of Canada, an association of the nation's private insurance companies, said that heavy losses incurred during the past five years had helped increase the rates—and projected several large international insurers to withdraw from liability coverage. Still, McElreath

found that if other courts followed the Ontario Court of Appeal by "holding people responsible for their own actions, not looking at ability to pay but at the question of negligence," then those insurance companies would likely re-enter the liability insurance field. That development, according to McElreath, could lead to increased competition and reduced premiums.

Clearly, spokesmen for municipalities and institutional clients who have had to pay more for coverage—or devise alternative methods of protecting themselves against damage claims—say that they would welcome the return of the companies. In Halifax civil service director Bernard Smith noted that the city had paid \$323,360 last June to renew coverage that in 1983 had cost \$200,000.

Other communities, among them Saskatoon, B.C., have developed self-insurance programs in order to avoid paying high rates. In 1985 the suburb of 32,000 near Victoria saw its annual insurance premiums rise 250 per cent to \$497,200 from \$162,571. But instead of paying that and subsequent bills, the town began to bank amounts of money equivalent to the insurance premiums, building a fund to pay off damage claims. And a civic program designed to minimize safety hazards has helped to restrict damage claims. That approach has helped control insurance costs for Saskatoon and other municipalities. But for the McElreath family, compensation is still dependent on filing and winning another court fight.

—BAR ORRELLA AND JANE O'HARA IN VANCOUVER, JULIA PERRETTA IN HALIFAX AND CATHERINE McElreath

Wrap it up write now

...with gifts of
Maclean's
for Christmas
—order them today!

Here's the "write"
way to turn holiday
shopping from hounding to
100-100-100: just put pen to
paper and give your friends
a year long gift of Canada's
weekly newsmagazine at special
low holiday rates!

Your gift brings them 52 fascinating issues of
lively, incisive news coverage... the people and the
places... from a uniquely Canadian perspective.
And this year, they'll also enjoy a special *Gift* news
devoted entirely to The Calgary Winter Olympics.

WISH THEM A MERRY MACLEAN'S

For Gift only \$39.95, Extra Gifts just \$37.95 each.
\$5 off at newsstands reg. \$42.50 by subscription!



...included FREE with their gift subscription!

"It's better to give AND receive: and don't forget about your gift... this classic, executive-styled pen. You'll admire its sleek, slim lines and unique hexagonal shape... you'll appreciate its secure, comfortable grip and fine, free flowing nib. As unique as your own signature, it's a gift you'll be proud to own and use. And no one would ever guess it's your bonus for giving Maclean's at up to 50% off the cover price!"

You'll also get beautiful UNICEF greeting cards free to announce your gifts. And, if you prefer, you can pay after January 1st, 1988. So take a moment now to complete and mail the attached order card!

...AND A GREAT NEWS YEAR!

Fill out card or message, write to: Maclean's, Box 4900,
Steeles A., Willowdale, Ontario M2N 6A7



Springsteen's passion, rage, intensity, astringent guitar work, social anthems—and the value of saying more with less

MUSIC

New paths for the trailblazing Boss

It arrived without fanfare. When Bruce Springsteen's new album, *Tunnel of Love*, began appearing in record stores this week, it seemed calculated to avoid the industry-generated fireworks that accompanied last year's five-record bout out of the recording. The new release is a quiet album of 10 songs showing pop's superior to be more human than heroic. And it represents a major musical U-turn for the Boss. Springsteen has produced surprises before—he followed his rock-and-roll, commercially successful double-album set, *The River* (1980), with the bleak, folk-oriented *Nightmare* (1982). Born in the USA (1986), a collection of bawling social anthems, presented Springsteen's world new. Now with *Tunnel of Love* (1988), he reveals his domestic vision. There was a time when Springsteen pointedly ignored love songs. "That was what everyone else did," he once said. Those he did write—such as *Pre-Game*—he let others record. But since his marriage in May, 1985, to model-actress Julianne Phillips, he has turned his gaze homebound. And despite the fact that *Tunnel of Love* sometimes portrays love as a bumpy road, its lyrics are un-

ashadedly romantic. Recording it of the album's songs with minimal backup from his E Street Band, Springsteen has made use of his strongest personal statements to date.

It opens with *Don't Go Near*, a prelude of desire sung with a bluesy swagger accompanied only by a harmonica and the sound of Springsteen's own snapping fingers. The third track's title, *All This Women Will Allow*, refers to the woman he worships, and the lyrics say she is the one who "lets me straighten and walkin' proud."

In other songs the romance is there—minus its requisite glow. *Save Paris*, a blistering blues number, paints a raw portrait of a single mother whose life "feels like one big mistake." *Janey*, abandoned by Bobby after she got pregnant, considers drowning her child. With his scolding vocals and astringent guitar, Springsteen conveys her rage as she decides to pawn her wedding dress and engagement ring to survive.

Some songs appear to be more intimately autobiographical. The title track, dealing with the risks of commitment, borrows imagery from the New Jersey amusement parks of Spring-

steen's youth. "The house is heated and the ride gets rough," he sings. "It's easy for two people to love each other in this tunnel of love." And *Walk Like a Man* describes a groom's prayer at his own wedding for strength to follow his destiny through. Written as a son's confession to his father, whose footprints on the beach he now tried to fill, the song stands as one of Springsteen's most candid compositions.

Tunnel of Love brims with the confidence of an artist aware of his growing talents as a writer. For some time Springsteen has been learning the value of saying more with less. Now both his music and his lyrics show the elegance of economy. From the potent opening a cappella vocals of *Don't Go Near* to the swaying waltz tempo of the last cut, *Nightmare's Day*, Springsteen finds strength in simplicity, and power in unadorned acoustic instrumentation. There are echoes of his musical heroes throughout, from Elton Presley and Roy Orbison to folk Dylan. But he has made the synthesis of those styles distinctly his own.

—NICHOLAS JENNINGS

UNRADIO RADIO

cko Vancouver 96.1FM

cko Calgary 103.1FM

cko Edmonton 101.9FM

cko Ottawa 106.9FM

cko Montreal 1470AM

cko Halifax 103.5FM

cko Toronto 99.1FM

cko London 97.5FM

Tune in to CKO and experience UnRadio Radio. Direct from the source, news, interviews, lifestyle features, information, sports and lots more. By it... it's interesting foreground radio at its best. CKO... where the music stops and the involvement begins.

Where the music stops... **cko**



Bill Fish
Olympic and World
Cup Champion

Scientific Study Ranks NordicTrack #1

In tests of exercise efficiency of a major university, NordicTrack burned more calories and provided greater aerobic workouts.

Rank of Exercise Efficiency

1. NordicTrack X-C Ski Exercise
2. As Exercise Bike
3. A Rowing Machine
4. A Shuttle-Type Ski Exercise

NordicTrack's higher oxygen uptake tests prove show that more muscle mass is involved in the exercise and more calories are being burned.

It's Only Logical that NordicTrack Would Get The Highest Scores

- because the ski track is more complete than an exercise bike

Adds important upper body exercise. Provides more uniform leg muscle strain.

- because the ski track is more thorough than a rowing machine

NordicTrack's resistance ski incorporates sculpting of the individual muscle into high- or low-impact muscles and does so without any weight.

- because the ski track has natural resistance not available on a Shuttle-Type Ski Exercise

Other ski-exercises can't give efficient full-body muscle strain with the individual resistance like NordicTrack's unique flywheel resistance for a lifelike feeling of acceleration and deceleration in each stroke of your ski.

Burns Up To 600 Calories per 20 Minute Workout

Free Brochure Call
800-433-9582

NordicTrack

27211 Huntington Drive
Pasadena, CA 91106-0776

BRIEF REVIEWS

WISH YOU WERE HERE Directed by David Leland

The 16-year-old heroine of *Wish You Were Here*, Lydia (Emily Lloyd), is a 12 o'clock girl in an eight o'clock town—a stiff and dreary English seaside community. The time is 1951, and shocking people and sex

are the rebellious Lydia holds the pair up her dress in front of a fleet of bus conductors and rides her bicycle around town shouting "Up your butt!" But behind her bold exuberance lies a deep and painful need for affection—she is motherless—and understanding. *Wish You Were Here* is a bittersweet look and a showcase for newcomer Emily Lloyd's buoyant, touching performance.

Written and directed by David Leland, who also wrote *Mona Lisa* and *Personal Services*, *Wish You Were Here* is little more than a string of vignettes—but how they glitter. Although Leland has not yet discovered how to give a movie shape and rhythm, his writing is tautly elegant and sentimental. *Wish You Were Here* is a reminder of both the pain and pleasure of distance.



McGowan: snuggly sex

—LAWRENCE O'TOOLE

PERSONAL SERVICES Directed by Terry Jones

The disclaimer that opens *Personal Services* says that the story of its heroine, Christine Paster (Julie Walters), is not based on the life of Cynthia Payne, Britain's infamous madam. However, it does acknowledge that Payne, whose brothel was raided and closed by police in 1976, inspired it. The screenplay by David Leland is a merry collage of anecdotes connected with Paster's career, which began quite by accident. Christine, a London waitress, shifts apartments to prostitutes. One day, however, she exacts pay her rent, and the landlord takes it out in trade. Before she quite knows it, Christine has a stable of clients—mostly older, ostensibly proper British gentlemen

But one enjoys being led around by a dog collar, another wants to dress up with Christine as a schoolgirl and pretend he is her boy.

Personal Services captures a schoolboy's delicious guilt in witnessing something naughty. As the affable, burlesque Christine, Julie Walters is a bloody delight. She gets excellent support from Dicky Solley as Christine's hermaphroditic employee, Dolly, and from Aile McQueen as evening commander Mooten, who is partial to dressing *Personal Services* offers the pleasant prospect of people who like to have a good time.

—L. OT

MATEWAN Directed by John Staps

When ballad-like narrative style, *Matewan* resembles a 1930s movie. It is, in the best sense, old-fashioned, and in the way it sits the goodness of West Virginia coal miners attempting to unionize against the evil, strong-arm tactics of the coal company, it is also simplistic. The town of Matewan was, in fact, the site of a

bloodbath involving the two warring factions in 1920, and it is to that drama that Staps slowly builds. Union organizer Joe Kenney (Chris Cooper) has more to contend with than the coal company's strikebreakers. Although the union preaches brotherhood, the whites do not get along with either the southern blacks or the Italian immigrant miners. Set by the time Matewan concludes, Staps has issued a stirring call to partnership across racial and cultural lines.

Distinguishing *Matewan* from other movies by Staps (Bellevue, *It's Not the Return of the Sinnerman*) is the cinematography of Haskell Wexler, whose shots are beautiful without being pretty. Splendid performances by James Earl Ray as the sympathetic black miner Joe Clayton and W.E. Giblin as a 14-year-old lay preacher embody that quality that is the core of Matewan: courage under fire.

—L. OT

FOR YOU WHO DREAM OF BLAZING NEW TRAILS



QUÉBEC. IT'S MORE THAN SKIING. IT'S SKIING À LA FRANÇAISE.

We have something for you. Right here on the slopes in the province of Québec. A chance to ski your dreams—to blaze a trail of speed, warm memories. It's called *Skier à la française*. And it means guaranteed thrills from state-of-the-art snow making and lift equipment, right from mid-November to mid-April. Night skiing on groomed powder, with the whole run to yourself. Powderhounding across our 8 untracked downhill and cross-country regions throughout the province. And from beginner on up, our offer world-class ski schools to match.

You can start your adventure today, by ordering your free, 72 page colour 1987-88 Québec Ski Guide. It's truly the answer to everything you've always wanted to know about *Skier à la française*. Vacation packages, accommodations, ski schools, and superb après-ski.

So come. Experience Québec's exceptional hospitality and *joie de vivre*, where your dreams of blazing new trails see reality just up the hill.

Kindly complete and mail this coupon or call our toll-free number:
Eastern U.S.A.: 1-800-443-7000
Ore., N.B., P.E.I.: 1-800-361-6490
(Ask for operator #26)
For up-to-date snow conditions:
1-800-363-3624 (from mid-November to mid-April)

Please mail me a free "Québec Ski Guide"
Send to: Tourism Québec, P.O. Box 30-000
Québec Street 1 St. Jean
Québec (Québec) Canada G1K 2G1

bienvenue!
Québec

Name _____
Address _____
City _____
Province _____ Postal code _____
Telephone (area code) _____

One of Burgundy's Best Cellars

PISSE-DRU

A frosty, premium-quality Burgundy at its best when slightly chilled.



Canada geese in Toronto ready for shipping south in 1983: police and shooting

WILDLIFE

Killing Canada geese

For most Americans, the handsome Canada goose is an impressive unofficial national bird. Many of them add that these geese that actually remain in the United States are an admirable addition to the U.S. bird population. Indeed, some U.S. goose-worshippers go so far as to support the decorative birds. But over the past decade increasing numbers of Canada geese have taken up permanent residence in several northeastern states—and in some of those regions they have become a major irritant. Larger flocks now living in suburban New York and New Jersey are proving to be such a nuisance that many once-hospitable Americans are permitting them, shooting them and setting their traps on them. That, in turn, has provoked angry reaction from animal lovers.

In New Jersey and northern New York, the number of Canada geese has grown to 50,000, including migratory and permanent residents, from barely five a decade ago, and in two counties of Maryland alone there are several thousand more. Experts attribute the proliferation to part to what one calls "surrogate goose farms." These are the restored countryside estates near New York City, Boston and Baltimore that are headquarters to increasing numbers of U.S. housewives—and ideal homes for the birds. Sud Deaner State, an animal-management-control official with the U.S. department of agriculture in New Hampshire. "If it's anybody's fault, it's that of landscap-

ers who clear large stands of land, plant bluegrass and put in a pond."

The major irritant caused by the phenomenon is the widespread sanitation problem caused by goose droppings. "These are big birds, and their digestive systems aren't all that efficient," said Paul Costello, a New Jersey wildlife biologist. "They take a lot of food in, and they end up putting a lot back out."

Suburbanites whose swimming pools, golf greens and carefully tended lawns have been damaged say that they are growing desperate. Edwin Butler, an animal-management-control expert for New York and New Jersey, says that residents of the area often complain, "Someone tells me, 'Well, gee, three years ago two geese showed up, and they were real pretty so we fed them and now we have dozens, and if you don't come out here and do something about it we're going to kill them.'"

Officials have attempted to discourage the geese by making the environment less attractive—sprinkling dried animal blood on the ground, for one thing—but so far without results.

Meanwhile, many bird lovers are prepared to overlook the problems. "It's all part of living with nature," says Al Galletti, a retired Canadian Press journalist from northern New Jersey. Still, he added, "it is getting harder to find a place to walk the dog."

—MARC WATNER WITH LAUREY BLACK
in New York

BEHAVIOR

A lethal lucky charm

Clive Shepherd, a Miami firearms instructor, calls it "the ultimate confidence"—the feeling of security that he says some of his students experience when they carry a concealed weapon. The students, said Shepherd, regard a gun as a good-luck charm—similar to the bags of charmed bones that primitive people wear around their necks to ward off evil. But whether the need to carry a gun results from superstition, fear or frustration, it appears to be firmly entrenched in the state of Florida, which, effective last week, now has among the most liberal gun laws in the United States.

In May, responding to widespread public demand and political pressure, the state government passed a bill that would allow anyone 21 and over who takes a firearms safety course and does not have a criminal record or a history of drug or alcohol abuse to purchase a \$165 concealed-weapon permit. The bill, scheduled to become law on Oct. 1, has stirred many Florida residents and angered weapon lobbyists. "We have temporarily run into a brick



Prospective gun purchaser in Florida: outrage

wall," declared Michael Beard, executive director of the Washington-based National Coalition to Ban Handguns. Still, some members of the police community think the law will not provide ap-

proven behavior in the part of ordinary citizens. Said Cmdr William Johnson of the Miami area Metro-Dade County Police Department: "Virtually anyone who wants to carry a gun already has one in his car, home or place of business perfectly legally."

The only difference is that some people will be carrying them under their sports jackets as well.

The new legislation resulted from growing public outrage over violent crime in Florida. Only three other states—Nevada, Nevada and Louisiana—have higher murder rates. Indeed, the city of Miami has the highest murder rate in the country at 32.9 per 100,000 people. "The streets are littered with victims," declared Florida state representative Ron Johnson during the debate on the concealed-weapon bill last spring. "We need to send a strong message to criminals that the next time you try to rape or kill someone, they may well be armed."

In marked contrast to Florida, jurisdictions that already have some of the toughest gun laws in the world are attempting to tighten controls even further. In Sept. 82 the British government announced a ban on automatic weapons following an Aug. 93

Wake up Little Susie, Here comes the sun.

CJCL 1430



then you can get your alarm clock, tonight, at 10:00 PM and wake up with KEITH RICH and the new morning team in Toronto. Give it a try! Music, comedy, news, and sports. The latest traffic and weather, plus a few laughs along the way. Good morning Toronto!

KEITH RICH AND THE MORNING TEAM. 5 AM - 10 AM WEEKDAYS.

MACLENS PUBLISHING CO. LTD. 1987



You're
very
Welcome

Expand the limits of your workload in one of our 154 new Mini Suites. Designed with separate bed and living rooms, they give you room to work, relax and entertain in comfort. You'll enjoy a full-size desk, 2 colour TVs, 3 telephones, long size bed, mini-bar, and your choice of complimentary breakfast too. Try a Mini Suite for maximum productivity on your next business trip.

For reservations, call your travel agent, 1-800-268-9275 (in Toronto, 363-3771), or us, at 1-416-677-9900.

**TORONTO AIRPORT
HILTON INTERNATIONAL**

3675 Airport Road, Scarborough, Ontario M1V 1Z4

Other Five Hilton International Canada Hotels:

BART JOHN, NB • OTTAWA • MONTREAL • OAKVILLE • MONTRÉAL • AIRPORT (CONRAD)
TORONTO • VANCOUVER • WINDSOR

resident in the town of Hagerford, 190 km west of London, where Michael Ryan murdered 16 people with an AR-15 assault rifle. And in Canada, where the Criminal Code severely restricts the possession and use of firearms, Toronto police Insp. Robert Crumpton released a study documenting a steady rise in firearm-related offences. Declared the 51-year-old police veteran, who is seeking more restrictive gun laws: "What I would like to know is why the people of Canada feel a need to have a handgun, a rifle or a shotgun."

But in Florida an increasing number of officers say they feel that they cannot protect citizens adequately. When members of the Miami-based National Association of Chiefs of Police were asked in a survey this year if they thought fast their inability to protect the public was reason enough for an armed citizenry, more than 80 per cent said yes. Said Gerald Arenberg, the association's executive director: "You are more likely to find a policeman where you run a red light than when you need him in a violent situation."

Still, as the newly relaxed gun law was about to go into effect, state and local police prepared to meet potential dangers. In Fort Lauderdale, police chief Joseph Gervino ordered his men to stop anyone they see carrying a weapon and disarm them until their right to carry the weapon is checked out. Asked if such action might be regarded as harassment, Gervino conceded, "I'm not sure how legal that all is."

Meanwhile, owners of Florida gun shops learned to give instructions and that large numbers of prospective applicants have been signing up for the firearms safety courses—which are completed in as little as an hour and do not necessarily require the students to fire a single shot. Some of the larger stores reported that their training centres are "graduating" as many as 300 people a week. Others say that many of the applicants already owned handguns and took the course merely to gain permission to carry them.

But instructor Shepherd said that he anticipates a rise in new weapons sales—and he said that he is concerned about the minimal instruction requirements for their use. He predicted that some people will shoot themselves and that others will pose when confronted with a potentially lethal situation. "There are psychological and moral considerations that have to be dealt with," Shepherd declared. "But as far as an anti-handgun activists are concerned, too many Florida citizens are eager to do just that."

—BARRY SCHWARTZ WITH PETER KIRKMAN in Miami

TELEVISION

Local heroes and imported fantasies

Along with intriguing paper-shufflers and shovelling bureaucrats is banglers, the CBC's new comedy series, *Not My Department* (Fri., 8 p.m.), offers an allegory about those who make Canadian television programs. The show's feckless hero, Gerald Angstrom (Harry Dittus), is deputy

chief's complicated new telephone system, which turns off the lights when he tries to turn his secretary Manonville, his cheerful assistant, Margaret Simpson (Shelly Peterson, wife of Ontario Premier David Peterson), tries to keep him from drowning in a sea of internal divisions. But both Gerald and

Manonville that not even a new dysfunction would feel threatened.

Scripting is also a problem for one's new documentary series *Our Fear May With Wages Rostered* (Thurs., 7:30 p.m.). The hapless host explores life in Canada's small towns, the narrative heavily laced with platitudes, reconstituted rural life. Still, *Rostered* interviews some disarmingly eccentric subjects. One is Carol Gibson (Pamela Furness, Sask., who speaks of her devotion to her band of 30 lambs. "It's a disease," cooies Gibson. "Once you have a llama, you get lammas in your blood and you need more lammas.")

The CTV network's kee new dramatic series this fall, *Hot Shots*, makes every effort to hide its Canadian origins. Produced by Toronto's Alliance Entertainment Corp and New York's Gramercy Productions—the same ones that makes *Night Heat*—the series has al-



Peterson, Dittus, Ontario paper-shufflers and bureaucratic banglers

Margaret are ill-defined, while Mr. Why (Harry Dittus), the officious chief of staff, is an overblown caricature.

The plots of some early *Department* episodes are simply too bizarre to be

readily aired in a late-night slot on CBS. The show features two explicitly coded crime fighters—Jason (Booth Savage) and Amanda (Dorothy Parker), investigative reporters for *Crimeworld*.

Magnate—who bear a more than passing resemblance to the leads of ABC's hit series *Murphy Brown*—is a dark-haired rake who drives a red 1966 T-bird convertible and hangs out visibly after almost every woman he encounters. Amanda, his reformed colleague, smiles sweetly when Jason puts her on the bottom. *Murphy Brown*'s team of Madeline and David is generally engaging; this couple is simply cruel.

At times *Hot Shots* producers stay to dubious tactics to conquer their audience. In one episode about the murder of an actress, they show an excerpt from one of her sex scenes. Occasionally, impeccable timing, impeccable plots and deft comic details suggest how good it could have been. CTV's other new offering this fall, *The*



Philip Marlowe's Rostered (right); cynical, romantic

Even the producers of *Not My Department*, it seems, would rather not be dealing with the mundanity of life. Certainly they have failed to give *Department*—based on Mosler's column—much of the charm of the *Gunshow*. *Department*'s *Gunshow* (Sun., 10 p.m.), has gone for U.S.-style programs about attractive sleuths in detached situations. Given a choice between exploring their own backyards or seeking criminals on a big-city strip, most of Canada's TV creators are picking revolvers and heading downtown.

The trouble by turns with a cost-cutting constraint which seems to wipe out his department and with the of-

fective language one depicts the government mentally hiring a paranoiac film producer to mock department employees on improving their public image. Other institutions are so

Who's Afraid of Virginia's Whip? But occasionally, impeccable timing, impeccable plots and deft comic details suggest how good it could have been. CTV's other new offering this fall, *The*

Last Frontier (Tues, 7:30 p.m.), is more wilderness but banded with redoubtable wilderness narrative. Still, its many startling scenes, including massive producer and diver John Stoenen hand-feeding sharks, have won it wide international distribution. Early next year the network will unveil its most ambitious contribution to Canadian export: *Mount Royal*. Raff in production, the series chronicles the love and scandals of Montreal's wealthy and powerful financial Vauzelle dynasty.

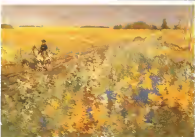
Ontario's Global network, like major writers Canadian independent stations and set up in the Maritimes are all banking on the public's appetite for serials. They own the rights to *Philip Marlowe: Private Eye*, a series of six stylish one-hour dramas based on short stories by Los Angeles writer Raymond Chandler, who died in 1959. Starring American actor Powers Boothe as Marlowe and produced by Toronto's Paragon Motion Pictures, the program has already aired on the First Choice pay-TV network. Although no match for classic movie adaptations of Chandler's work, the dramas are suffused with noir mystique and the author's cynical yet romantic vision.

Later this season Global plans to air *True North Strong and Free*, a series of four one-hour specials—produced by the network with CBC and Canada's National Film Board—exploring how Americans view Canada. It seems that only returning series are attempting to entice home Canadians to see. The series *The Way We Are* (Cbc Sat, 7:30 p.m.), which first ran from across Canada, is back for its third season with some superb programs. Among them: *All Souls First*, the melodramatic tale of a Winnipeg widow concerning the lover who made her pregnant 40 years earlier when her husband was serving in the Second World War.

The CBC's revamped series about three Toronto lawyers, *Street Legal*, also shows new promise. In one episode a woman arrives late at a restaurant where her angry lawyer husband, Chuck (C. David Johnson), is about to order house wine from a hovering waitress. The study wife interjects, "I can explain everything." Her husband replies, "This better be good." The writer, assuming the record is directed at the wife, says, "Well, it's not Canada."

That exchange, which counterpoints a sharply written drama about surrogate motherhood, shows that at its best domestic TV can tell a story well while doing a job as foreign drama: one creating and sharing private jokes and family secrets. It is a challenge that the new season largely ignores.

—PATRICIA FLACEY



C.W. Jefferys' *A Prairie Trail* attracts publishing attention in detail

PUBLISHING

To picture the past

For those who regard Canadian history as a grey affair, two major publishing projects—offering colorful portraits of the country's past—may change that perception. Edited by University of Toronto professor Craig Brown, *The Illustrated History of Canada* (Clarke & Open Design), \$89.95, is a comprehensive chronicle stuffed with photos, drawings and historical art. And the first volume of the *Illustrated History of Canada*, from the beginning to 1600 (University of Toronto Press, \$65.00), features diagrams of everything from 18th-century houses to the seasonal movement of Algonquin tribes. Both publishers say that they hope to repeat the success of Edmond's Heritage Publishers Ltd., whose Canadian Encyclopedia is a best-seller. Already, bookstores have ordered 75,000 copies of *The Illustrated History's* first print run and 25,000 copies of *Atlas*, said Hartung. "It's clear there was a huge gap in the market that's now being filled."

The books are the most ambitious ever undertaken by either publisher. *The Illustrated History* took three years to complete, involved seven prominent Canadian historians and employed three researchers to track down hundreds of illustrations from more than 50 private and public sources. The 574-page result extends from the arrival of the first Europeans to 1987. Accompanied by about 300 illustrations, it also includes portraits

by artists such as Tom Thomson and a photo of the supersonic discovered last February by Winnipeg-area astronomer Ian Shelton.

Clarke & Open Design invested more than \$500,000 in the project, a 50th of which will be reimbursed by the federal department of communications. Louise Desnoes, the firm's vice-president, called that "a considerable investment—but we believed it would be a treasure account." The cost of the University of Toronto Press's *Illustrated Atlas* project—prepared by Toronto-based geographer G. Cole Harris with cartographer and designer Geoffrey Matthews—is even higher: about \$5 million, all of which came from the Social Sciences and Humanities Research Council of Canada. The second and third volumes are expected to be completed by 1992.

A collaborative effort from 60 experts, *Values* features 70 color, double-page plates. Those spread over these subjects with the sweep of aerial photography and in careful detail. Drawing with Academic marketplace, includes a map of land now the Bay of Fundy in 1787, an enlargement of two local communities located not only the homes of people of French but also the doghouse and the church. That painstaking attention to detail, common to both books, brings the nation's past into sharper, brighter focus.

—GLORIA HUBBERS ANDY in Toronto

BOOKS

The looking-glass spy

TASK IS ATTRIBUTED TO ANNOUNCE

By John Sempson

(Mosaic Press, 252 pages, \$20.95)

The scenario and characters are as familiar as the literary form itself. In Julian Sempron's story is *Attributed to Announce*, the hero is a balding spy with a bent for philosophy, the villain is an ally necessary with Nazi connections and the plot concerns a superpower's clandestine efforts to take over Nigeria, an obscure—but geopolitically important—African country. Yet while Sempron contra some well-trodden ground, nothing is quite as expected. He is the Soviet Union's most popular author and is thus published in Canada by the small but ambitious Mosaic Press—Sempron shows why he is often described as his country's John Le Carré.

For readers accustomed to the fictional escapades of British 61-5 and American CIA after spouting Soviet attempts to gain world domination, that is *Attributed to Announce* offers a startling peek at life on the other side of the looking-glass war. The fate of Nigeria is in the hands of Vitaly Slavin, a slim field officer with very human, a first wife and a love for his country undimmed by his recognition of its flaws. 61-5 succeeds because Sempron, like Le Carré, brings a sense of gritty reality to almost every page. His observations on the moral spectrum: the Soviets are not timelessly noble, the Americans include an occasional white knight—and when secret enemies meet, they display the barest backbone of civil politeness.

Occasionally Sempron's plot twists seem forced, and some readers may bridle at his harsh depiction of the American military-industrial complex that far real thriller fans, willing to sacrifice to the author's skill at building attention. But that measure, even Sempron's most intricate political ones are likely to grant grudging approval.

—ANTHONY WILSON-SMITH

A Marlboro cigarette smouldered in his ashtray alongside a glass of Scotch. They were appropriate props for Julian Sempron with his dense short and carefully clipped beard, he looked like a casting agent's conception of a writer. "I know



Sempron and daughter, Olga: powerful friends

who and what I am," he said in an interview with *Attributed* during a recent visit to Toronto. "But many other people are not too sure exactly what that is." Like his books, there is more to Sempron than first appearance indicates. The author of more than 50 books—their total sales exceed 30 million copies—Sempron is a multi-talented millionaire who often fantasizes outside the Soviet system he so ardently defends.

In Moscow, where average citizens can sometimes wait seven years to obtain a city apartment, Sempron has a five-room apartment and separate studio. He spends summers at a country home in the Crimea, where he grew up. And last year, he claims, he made four times as much money

as Soviet General Secretary Mikhail Gorbachev. His novels, which deal with such controversial themes as alcoholism and black marketing, have often attracted official disapproval. "The bureaucratic hate me, and my books have not always been easy to find," he said, "but I have some friends in high places."

Tried to be done. The author has travelled abroad with Gorbachev. Another Sempron admirer, until he died in 1984, was Yuri Andropov, a top chief and labor general secretary, who positively loved him, the director of which the first novel is based. In fact, Sempron's access to confidential information has led to speculation that he has formal ties with the KGB. But Sempron said only, "It does not have to have to have it known I have many close friends."

Still, his primary motivation, for writing, he says, is not political. "I am a writer because I simply love writing," he declared. He added that he admires Le Carré, Ernest Hemingway and the Bible, which he describes as "the greatest form of literature produced by man." His next projects include production of a suspense-oriented magazine in collaboration with a group of Western writers, and illustrated versions of three more novels, due for publication in the next two years. Said Sempron: "In literature, as in most things, North American and Russian have much to gain from each other."

—A. W. L. in Toronto

MACLEAN'S BEST-SELLER LIST

FICTION

- 1 *Merry, King* (2)
- 2 *Beat, Smith* (2)
- 3 *Reverend Innocent, Turner* (2)
- 4 *Practical Games, Glass* (3)
- 5 *Dirk Gently's Holistic Detective Agency, Adams* (5)
- 6 *Plan Things, Stoll* (8)
- 7 *The Shattered Man, L'Amour* (8)
- 8 *The Timothy Files, Jensen* (8)
- 9 *Scream, Rindler-Schjerve* (9)
- 10 *Savage, Corcoran* (7)

NONFICTION

- 1 *Democracy, Wright* (1)
- 2 *Call Me Adam, Kline* (1)
- 3 *It's All in the Playing, Woelke* (5)
- 4 *Starting Out (1984-1991), Burton* (5)
- 5 *Rich Hansen Was in Motion, Taylor* (3)
- 6 *The Unhappy History of Canada, edited by Brown* (6)
- 7 *Canadian Living Cookbook, Ferguson*
- 8 *The Great Depression of 1980, Myers* (5)
- 9 *Devil, The Legend, Pethick*
- 10 *Time Flies, Corby* (2)

(1) Position last week

—Compiled by Brenda McGregor

The bums on the front page

By Allan Fotheringham

The new change took place at Watgate, a plush hotel-office-building-condominium complex that sits at the edge of the Potomac leaving access to the Virginia suburbs. Watgate and its Woodlawn Towers, once bid entering journalism school near a Potomac Prize is the future. Exposure of kooky-punky is municipal war here is the key to advancement, the clue to success. No one looks far heroes anymore. Everybody looks for villains. Villains make the newspaper desk-top computer stare.

Bob Woodward, who along with long-haired mate Carl Bernstein brought down a president, a buck in the news with his sensational hook as how had the CIA and its late boss Bill Casey really were. It fits in with the current theme: the "heroes" of our front pages these days are the losers—the guys who aspire to high office under false pretenses and come crashing down in public view.

On one side of the border the Democrats, who seemed to have the White House wrapped up for 1980, are remembering a Marc Brodsky story that is forcing too many voters to turn to the Republicans and may not be so bad after all. Garry Hart, the brightest of all the Democrats, goes down for reasons lower than his intellect. So Biden, the best armer of all, falls because he cheats a bit about his quotes and lies about knuckle-garden. Mike Dukakis, who has been leading the race of roses and then as daisies, turns out to be a bit of a fumbler in not knowing that he has a sidesplittingly comic name. Who killed Mr. Biden (a non-trait anyway) by pointing out an "artificial video" proving his plagiarism and provocations.

There's hardly been a hero in the firmament since John Kennedy—and we know what's happened to his legacy since then. On the Canadian side of the border, if anyone asked you

Allen Fotheringham is a columnist for Southern Living.

about the Mairaney regime, the first name that would probably come to you is Bob Costas. Followed by Steve Stevens. Both of them, essentially, mere pawns in the great scheme of things.

If you asked any foreigner to name a British politician since Churchill, about the only name aside from Maggie Thatcher would probably be John Profumo, the war minister who almost brought down a Tory government after his involvement with a couple of dames called Keeler and Rice-Davies. Unless the public

his involvement with a car, a bridge and a young lady he claimed wasn't a girlfriend. Nobody believed him, and he's been spinning his wheels ever since, making the most news every time he announces that he's not going to run for president. If you're a cordial bum, you can make news even announcing that you're not going to do something.

Nielsen, of course, rates as close as anyone to being the No. 1 burn of all time who is still allowed to walk the streets without being arrested. Rotor Agnew doesn't really count because he was a burn before and after, never a hero. John DeFeschaker was an assistant hero and almost immediately became a semihero. He dragged out his burners for a long time, despite Italian Camp—who is half-hero, half-burn (if you want to take a poll just outside Prince Albert).

Sean Penn and John McElroy make almost any newspaper you pick up, not the Bay State leader or your local preacher. Penn likes to punch out photographers, and McElroy, the Vice I love is all of sport, likes to curse at middle-aged ladies who get paid nothing to sit and supervise little kids. That's modern life. Ronald Reagan, who was a hero for so long, is becoming somewhat of a surrogate hero because he didn't bother to check on what the bombs beneath him were doing.

Certified bean Ferdinand Marcos of the Philippines was a *sensitive* page one guy, while Cary Agosin, the hero, is stuck in the inside pages. The Shah of Iran became a bean rather quickly, along with John De Lorena, Ivan Rosaly and Jimmy Bakker. Carl Lewis, an American hero, became a bean in one night by refusing to take more than one long jump to entertain the crowd at the Los Angeles Olympics. It's a swift trip. He still can't figure it out, but we can.

Barbara Ann Scott and Marilyn Bell have never done anything to remove themselves from the hero claim. They don't have many imitators. Why do newspapers put them on page one? Because people like to read about them.



BENSON & HEDGES
KING SIZE



BLACK AND GOLD

WARNING: Health and Welfare Canada advises that danger to health increases with amount smoked — avoid inhaling. Av per cigarette: R & H King Size, Tar 11mg, Nicotine 1.2; King Size Lights, Tar 10mg, Nicotine 1.0.



Northern Telecom
Official Supplier
Telecommunications Equipment
Olympic Winter Games
Calgary 1988

Northern Telecom has 24 manufacturing plants and 21 research and development centres in Canada. We employ over 21,000 people. Highly skilled people pulling together to produce an ever-expanding variety of products for advanced communications networks. Dedicated people ensuring that you will be able to communicate more effectively now...and in the future.

nt northern
telecom



NETWORKING